

103
**MAGNUSON FISHERY CONSERVATION AND
MANAGEMENT ACT REAUTHORIZATION—PART II**

Y 4. M 53: 103-49

MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT REAUTHORIZATION—PART II
ARING
BEFORE THE

**COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES**

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

**REAUTHORIZATION OF THE MAGNUSON FISHERY CON-
SERVATION AND MANAGEMENT ACT TO ENSURE THE
SURVIVAL OF OUR FISHING INDUSTRY AND OUR
COASTAL COMMUNITIES**

AUGUST 12, 1993—ANCHORAGE, AK

Serial No. 103-49

Printed for the use of the Committee on Merchant Marine and Fisheries



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MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT REAUTHORIZATION—PART II

THURSDAY, AUGUST 12, 1993

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Anchorage, AK.

The Committee met, pursuant to call, at 9:30 a.m., in the Old Federal Building, U.S. Courthouse, 605 West Fourth Avenue, room 130, Anchorage, Alaska, Hon. Gerry E. Studds (Chairman of the Committee) presiding.

Present: Representatives Studds, Manton, Andrews, and Young.

Staff Present: Sue Waldron, Press Secretary; Jean Flemma, Professional Staff; Tom Lyons, Professional Staff; Jim Mathews, Subcommittee Staff Director; Lesli Gray, Majority Clerk; Eleanor Mohler, Assistant Clerk; Cyndy Wilkinson, Minority Chief Counsel; Rod Moore, Minority Professional Staff; and Margherita Woods, Minority Professional Staff.

STATEMENT OF HON. GERRY E. STUDDS, A U.S. REPRESENTATIVE FROM MASSACHUSETTS, AND, CHAIRMAN, COMMITTEE ON MERCHANT MARINE AND FISHERIES

Chairman STUDDS. We will begin the hearing.

I have a formal statement which I will spare everyone and put it in the record as it is. I just want to say this is not the first time that we have had the opportunity to accept Don Young's hospitality to come to Alaska which he has finally convinced me after all these years of serving together is a very large State. I have to confess that now.

Don and I, as you know, are two of the only three surviving Members of this Committee who were actually on the Committee when the Magnuson Act was enacted in 1976, and it is interesting to me what has occurred. When this bill was first introduced, it was two pages long, if that. The statute is now 80-some pages long, I believe, and we are contemplating adding to it. It is a lot more complicated than any of us ever envisioned.

When we first introduced it, I don't think anybody had ever conceived of a creature known as a Regional Fisheries Management Council. They evolved in the course of the initial debates about the bill, and they are unique animals in the history of government organizations. They aren't really government. They aren't really private. They are something in between; they are unique. They have worked better in some regions than in others.

Interestingly and sadly, the region with the greatest difficulty so far has been my own in New England where an emergency situation was inherited from the outset in 1976 with the devastation of the groundfish stocks by the foreign fleets, and we are now in the process of reauthorizing the Act, and we are asking the most fundamental questions: Is this creature known as the Council the proper way to manage these fisheries; and if so, is it working fine the way it is? Does it need fine tuning or do we need to step back and take a careful look at the entire thing and rethink it from scratch?

I don't think any of us—at least speaking for myself—I have not reached a conclusion on that. The problems we face today are not exactly those we thought we would face 16 or 17 years ago, but they are severe in our part of the country, and I gather that they are sufficiently severe in your part of the country to have spawned a whole new jargon of terminologies and acronyms that we now have to learn in fisheries management which is a damn shame, but I suppose that is the nature of the beast.

We are here to learn. I want to express my profound appreciation to Don and to his staff who once again have made our visit here a delight, and coming to this State is overwhelming, even for someone from a State as magnificent as all of those represented here.

We have an argument every day in Washington as to whose coastline is more beautiful. Don just sits back and carves at his desk and laughs about that. We all feel very strongly about the place we are from, which is why we are on this Committee, and I know that I speak for all of my colleagues, Don, when I say we thank you. It has been a delight working with you for never mind how many years.

Congressman Young, as I think you know, and I do not have identical voting records on all matters that come before the Congress, but I think we have absolutely dumbfounded observers of that institution by the collegiality of our relationship and our friendship and that we have been able to work productively over God help us all more than two decades. I don't know how many more decades you have in mind, but as long as we are both survivors here, let's keep doing the best we can.

Thank you for having us.

[The statement of Chairman Studds follows:]

STATEMENT OF HON. GERRY STUDDS, A U.S. REPRESENTATIVE FROM MASSACHUSETTS,
AND CHAIRMAN, COMMITTEE ON MERCHANT MARINE AND FISHERIES

Today's hearing is one in a series of oversight hearings the Committee is holding on the reauthorization of the Magnuson Fishery Conservation and Management Act. I want to commend Subcommittee Chairman Tom Manton and the distinguished Ranking Member from Alaska, Don Young, for their continued leadership on fisheries issues.

When this Committee first approved the Magnuson Act 17 years ago, our fishing industry was in trouble. Many of you in this room were facing hard times because our fisheries resources were dominated by foreign fleets. We fought to enact legislation that would Americanize our industry, provide for sound conservation and management of our fishery resources, and, in turn, ensure the survival of our industry and our coastal communities.

The good news is that the Act has fulfilled its goal of facilitating the full utilization of our fisheries by U.S. boats, adding billions of dollars to the economies of

coastal communities like New Bedford, Massachusetts, and Dutch Harbor which last year overtook New Bedford to become the number one port (based on dollar value of fish landed) in the U.S. The bad news is that the Act has not been nearly as successful in ensuring the sound management and conservation of our fisheries resources. Nowhere is this more clear than in New England, where groundfish stocks and scallops have declined to such low levels that I fear it may be some time before New Bedford regains its rightful place as the number one dollar port in the country.

Here in the North Pacific, your problems are somewhat different: debate focuses not on the amount of fish left to be caught, but on who should be allowed to catch and process those fish. Critics of the Council here assert that members vote their own self interest and not the interest of the resource. Management plans are rapidly moving toward the privatization of a public resource, providing a valuable asset—free of charge—to those lucky enough to receive a quota, yet looking to the Federal Government to pay for what will surely be the very costly enforcement of such a management scheme.

When we passed the Magnuson Act, these were certainly not the problems we envisioned the industry would be facing almost two decades later. We thought there would be enough fish for all U.S. boats and the rest would take care of itself. Obviously that has not been the case. Clearly, our fisheries management system is not perfect. It must change with the times.

While many of these problems may be regional in nature now, there is no guarantee that a crisis like one facing New England groundfish fishermen couldn't happen in the Gulf of Alaska or in the Gulf of Mexico, or that allocation issues couldn't become as contested in Charleston, South Carolina, as they are in Charleston, Oregon. Instead of focusing on these regional disputes, we need to look at our management system as a whole and fix it where it needs fixing to ensure the long-term viability of both our fisheries and our fishing industry.

I look forward to hearing the views of those we've invited to testify.

STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA, AND RANKING MINORITY MEMBER, SUBCOMMITTEE ON FISHERIES MANAGEMENT

Mr. YOUNG. Thank you, Mr. Chairman.

I definitely welcome you. This is about the fourth time you have been to the State, and you have been—the Chairman has been very sympathetic to the fishing industry. The one binding glue that everybody has on this Committee—Mr. Manton, the chairman of the Subcommittee that handles the 200-mile limit; Mr. Andrews is on the Committee—is that we all have an interest in the sea and in the fish, and we are working, and if I may suggest, Mr. Chairman, you and I, I believe, are the only surviving Members of the Congress that passed this original Act in 1976.

I frankly think it has been a success, and that is one question I ask all of you today when you give your testimony is to ask yourselves do you really want to amend this legislation to any great degree, and if there is something definitely weak about it, please identify that, and where the strengths are, identify that.

The Council itself in Alaska has been probably the best Council of all the Councils. As the Chairman has mentioned, we have had some differences of opinion, but it has worked well. We do have, of course, regional conflicts, we are trying to work those out. We have the problem of onshore/offshore, the problem of all the other questions that come up, but overall we are seeking one thing, I believe, and that is the sustained yield of the species of fish.

There is only one way you can really work on legislation, and that is through the efforts of this Committee. If I can talk about this Committee for just a moment and then we will go into the witness list. This Committee is the most nonpartisan committee in Congress. We work well together. We have always worked well to-

gether. We have extremely talented staff that works well together, and we accomplish probably the most constructive legislation that comes out of Congress.

I can't say for the rest of the Congress, yet this Committee is under attack. There are those that say, "Well, this Committee shouldn't exist. We really don't do that many important things. After all, all they do is represent one of the most viable economic-based industries left in this country." That is fisheries.

We manage that and watch after it. We don't pass these other laws and take money away, we create new knowledge. I hope if there is anything you can do in your own talk in your own area, that you can contact people on the outside and say this Committee is one of the committees that should remain.

I know that has nothing to do with this hearing today, but everywhere I go around this Nation, I talk about how valuable, how non-partisan, how we work together trying to protect the fisheries, the fishermen and the people who consume that product in this Nation.

Mr. Chairman, I welcome you specifically here again. You have a chance to meet my constituents and listen to this issue, and Mr. Manton and Mr. Andrews, I welcome you with this Committee.

We lost a couple Members that did not come all the way to Alaska, but that is their loss, and those that are here, I am sure you will have much to gain. I thank all of you for being here and being my guests and guests of the State of Alaska.

Thank you, Mr. Chairman.

Chairman STUDDS. Thank you very much, Don.

[The statement of Hon. Don Young follows:]

STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA, AND
RANKING MINORITY MEMBER, SUBCOMMITTEE ON FISHERIES MANAGEMENT

Mr. Chairman, Member of the Committee, I want to welcome you to my great State of Alaska. Although you will only be here for a short time, you will see a lot of the most beautiful State in the Union. You will also be hearing a great deal, both today and during your travels around the State, from fishermen, processors, and members of our coastal communities. I am sure you will take the time to listen carefully to what Alaskans have to say.

The commercial fishing industry is the largest private employer in the State of Alaska. With our exports of salmon, crab, black cod, pollock, and herring, we contribute to the balance-of-trade surplus in fish products with Japan. In fact, the 200-mile zone around Alaska is estimated to contain up to 14 percent of the world's marine protein resources.

The Alaskan fishing industry has a strong history of conservation and management. Our State fish and game laws are some of the toughest on the books. Our fishermen were the first to call for observers on fishing vessels to ensure that we are not overharvesting. We believe in making money from commercial fisheries, but we also believe in ensuring a supply of fish for future generations.

Over the next few days you will be hearing suggestions on how the Magnuson Act should be amended. One question that I always ask my fishermen and processors and which I hope you will ask, too, is: should the Act be amended or can we just make the existing Act work better? This is an important question and the answer will help us to determine how to proceed in the days ahead.

I am going to conclude here and let the people of Alaska speak for themselves. Once again, I welcome you to the last frontier and I hope you will let me, my staff, and the people of Alaska know if there is anything we can do to make your stay more informative and enjoyable. Thank you.

Chairman STUDDS. Now let me introduce the new Chairman of the new Subcommittee on Fisheries Management, Congressman Tom Manton of New York.

STATEMENT OF HON. TOM MANTON, A U.S. REPRESENTATIVE FROM NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON FISHERIES MANAGEMENT

Mr. MANTON. Thank you, Mr. Chairman.

It is really a delight to be here. I congratulate our Chairman, Mr. Studds, for all the work that went into putting this hearing together and the cooperation of our great colleague—I will call him His Eminence while I am here in Alaska—Don Young and his staff for all of the efforts they have put into the trip as well.

There is an old adage, if it ain't broke, let's not try to fix it. I think the Magnuson Act, which will be reauthorized in the coming months, is something that has worked. We do a lot of things in Washington that don't really work very well, but I think over the past 17 years or so, the Magnuson Act has provided jobs, economic development, and a very viable U.S. industry.

There are some internal problems with the implementation of the Act however, and we have heard some testimony to this effect in other cities in the Pacific Northwest and in Washington. We have had three hearings in Washington so far which have touched on the issue of conflicts of interest and other matters.

A lot of the concerns that have been raised are regional in nature, as was stated, so we are here to listen to you and your testimony and your suggestions and, hopefully, when we reauthorize the Magnuson Act, it will be a stronger, a better piece of legislation to go forward with in the future.

So I look forward to hearing the testimony of today's witnesses and yield back the balance of my time.

Chairman STUDDS. Our other Member with us today is someone who used to think he represented a very large State, Congressman Tom Andrews of Maine.

STATEMENT OF HON. TOM ANDREWS, A U.S. REPRESENTATIVE FROM MAINE

Mr. ANDREWS. Thank you very much, Mr. Chairman. It is a pleasure to be here.

I want to also extend my thanks to Mr. Young and to everyone who has played a role in helping us feel so welcome. We arrived yesterday afternoon here in this area, in Anchorage, and we were driving out for supper last night and a moose and a calf crossed the road, and I felt right at home. I don't know if you arranged that, Mr. Young, but I thank you for that.

This is an absolutely beautiful State, and although I must confess I am a little bit anxious as a result of the opening comments of the Chairman and Mr. Young when they say that they are the only surviving Members of the Committee since the Magnuson Act and here we are about to reauthorize the Magnuson Act, so let me just simply say that, you know, it is one thing to think about and consider issues as important as the ones that we deal with in our Committee from within the halls of Congress in Washington, D.C. It is

quite another thing to think about them and consider them from the perspective of people who live around this great country, and so I am very grateful for the opportunity to get outside of what we call the Beltway of Washington and come face to face with the men and women whose lives are at stake, whose futures are at stake, and who have such a commitment to the resources that we are talking about.

So to all of you being willing to come out and participate in this hearing and help to educate us, I want to say thank you.

Chairman STUDDS. It is nice to be in a part of the country where they think Washington is the Pacific Northwest. It is very, very nice. It is very gracious of you not to mention the fact that Mr. Young a few minutes later shot that moose.

Mr. YOUNG. Not until the 25th.

Chairman STUDDS. Let me sketch out the rules of our procedure here this morning. They are a little bit unusual and a little bit rude to the witnesses, and that is we have a system of lights here. You probably don't have these in Alaska; we have them in Washington. We have asked every witness to confine their oral presentation to no more than five minutes. Frequently we have much lengthier, more complex, detailed written testimony. All of it will appear in the record in full as if you had delivered every word of it. Future historians will never know that you only spoke for five minutes. That is essential in order for us to finish in the time frame we have and give everyone an opportunity to be heard, and give Members a chance to ask questions.

When the yellow light goes on, it is your warning that you have one minute left, and when the red light goes on, it is your warning that you have finished. It is a very simple system. It is not very polite. We apologize, but we have learned over the years it is the only way to keep us on schedule.

I would also add that I am informed that we must complete our business by no later than noon, so it is a further constraint on everyone to try to be as concise as possible. I don't know whether a duck is going to descend from the ceiling, but something dramatic will happen at noon if we are not completed.

Having said that, let me call up for initial remarks, if I may, Mr. Carl Rosier, Commissioner of the Alaska Department of Fish and Game.

Mr. Rosier?

STATEMENT OF CARL ROSIER, COMMISSIONER, ALASKA DEPARTMENT OF FISH AND GAME

Mr. ROSIER. Thank you, Mr. Chairman.

Mr. Chairman, Members of the Committee, I am Carl Rosier, Commissioner of the Alaska Department of Fish and Game. On behalf of Governor Hickel, I want to once again welcome you to Alaska and state that it is truly an honor to have the Chairman, Committee Members, congressional staff, and others visiting our State.

Today you will be hearing from representatives of Alaska's fishing industry, conservation groups, and other public regarding one

of the Nation's most important pieces of ocean legislation, the Magnuson Fisheries Conservation and Management Act.

To set the stage a bit for the hearing, let me provide you some information about the importance of our fisheries to Alaska and the Nation. If Alaska were a separate nation, it would rank among the world's top 10 in total fish harvest. In 1992, the catch off Alaska totaled over 5.2 billion pounds of seafood. This was about half the national harvest and over three times greater than the amount landed by fishermen in the Nation's second-ranking region.

The Alaska seafood industry is the largest private basic industry employer in the State, providing more than 77,000 seasonal jobs which equal 33,000 year-round direct and indirect jobs. Total investment is estimated at roughly \$4 billion with a payroll of approximately \$600 million.

Dutch Harbor-Unalaska ranked number one in the Nation for seafood landings in 1992 with total landings in excess of 736 million pounds, nearly 3 times greater than the next largest non-Alaska port. Seafood landed at Dutch Harbor-Unalaska was worth about \$194 million to commercial fishermen.

Today you will hear about the importance Alaska places on the effectiveness of the MFCMA. The MFCMA established the regime under which the United States gained control of its fisheries which led to the Americanization of the immense groundfish fisheries off Alaska. It provides the framework for conservation, management, and allocation of fisheries off our shores, but as the Committee is aware, the national concern about the environment, the health of our fisheries resources, coupled with a growing awareness about the problems of bycatch, discards, and waste are front page issues.

Competition between a mobile at-sea factory trawler fleet and a local shore-based industry are the subject of national debate, and escalating concerns about fishing rights, jobs, and economic health and stability of our coastal communities are all hot topics on the waterfront. The question of who owns our Nation's fisheries resources, tied to the age old problem of too few fish and too much harvesting capacity, is still a major source of contention.

The State of Alaska believes that the North Pacific Fisheries Management Council is doing an outstanding job of addressing these contentious issues. The State, through the Council process, has been supportive of allocations to prevent preemption of the fishery by one segment of the industry over the other, and we remain supportive of implementation of limited access systems for Alaska off shore fisheries if the nature of the fleet can be maintained and the economies of our coastal communities can be protected. Resolution of these issues will not be easy nor painless, but we are committed to working toward functional and equitable solutions.

I would like to also mention the success we have had with the Western Alaska Community Development Quota program. This is an innovative program initiated by the North Pacific Fisheries Management Council to enhance local fisheries economies in rural Alaska.

Over 50 Bering Sea communities, mostly with mixed economies, based largely on subsistence, are participating. These communities have some of the highest rates of unemployment in the country,

some of the lowest average per capita incomes in the country, and some of the highest cost of living in the country, yet these communities are immediately adjacent to one of the Nation's largest fisheries and have benefited least from that fishery.

When you consider the CDQ program, it is important to remember that the actual quota is not awarded to the communities, but instead to applicant groups or organizations consisting of commercial fishermen from qualifying communities. To date, six CDQ corporations have been formed, representing all of the eligible Bering Sea communities. These corporations have entered into joint venture partnerships with major U.S. seafood companies and have successfully harvested their 1992 pollock allocation of roughly 100,000 metric tons, and the first half of their 1993 allocations.

This has resulted in a significant increase in direct local employment, in the creation of several fisheries training and educational programs for local residents, and in capitalizing numerous fisheries development projects in the region. This has truly been an auspicious beginning, and we look forward to continuing successes in the future.

Mr. Chairman, Members of the Committee, thank you for this opportunity to come before you once again. I sincerely appreciate the amount of time and effort you are putting into your deliberations regarding the reauthorization of the MFCMA. I am sure that you will hear some interesting and informative testimony here today. I hope that the remainder of your visit to Alaska is productive and you thoroughly enjoy your stay in our fine State.

Thank you, Mr. Chairman.

Chairman STUDDS. Thank you very much, sir, and thank you very much for your hospitality and that of your Department. Any questions? We appreciate your welcome. We will do our best to deserve your kind words.

Chairman STUDDS. If the five members of the first panel will come to the table, we will get ourselves organized: Ms. Blackburn, Mr. Campbell, Mr. Curry, Mr. Mitchell and Mr. Seaton.

We propose to treat you as a single panel to take all your testimony, then proceed to questions. If it is OK with you, we will take you in the order in which you appear on the witness list, and one last time we apologize for the barbarity of the lights.

We will start with Ms. Christine Blackburn of the Alaska Groundfish Data Bank.

Thank you.

STATEMENT OF CHRISTINE BLACKBURN, ALASKA GROUND FISH DATA BANK

Ms. BLACKBURN. Thank you, Mr. Chairman. I appreciate the opportunity to speak before you.

I am Chris Blackburn, the Director of the Alaska Groundfish Data Bank which represents shore-based groundfish processing plants and trawl catcher boats working both in the Gulf of Alaska and the Bering Sea.

Basically we are very happy with the Magnuson Fisheries Conservation and Management Act as it stands now. Under this Act, we have gone through foreign fishing to joint venture fishing to

Americanized fishing to an overcapitalized fishery, and yet we still have our fish stocks, and they are healthy.

I think that is the objective of the Act, and it has done its work. A lot of the criticism we hear of the Act we feel are more with the implementation within the regions than with the Act itself. One of the criticisms has been quality of Council members. The Act gives the Secretary very clear guidance on what a Council member should be, and yet we have never seen the Secretary exercise his authority to say "This Council nominee from the State of Alaska or any State does not meet these criteria. Your list is being sent back."

We raised this with the Marine Fisheries Advisory Committee in Washington, D.C., and we found the then-director quite horrified at the thought of actually telling a State that its nominees didn't qualify, and that is an implementation problem, not a problem in the Act.

Another implementation problem that we find is the use of economic evaluations to decide fishery allocation issues. Basically, the National Marine Fisheries Service has chosen to use an economic theory that actually does nothing more than say whoever has the greatest short-term profits, i.e. the last year we looked at, is the winner.

Now, under that kind of an economic analysis, the companies that profited from the S&L scandal would have been real winners in terms of any allocation. This does not look at the long-range health of the fisheries, the long-range health of the industry itself, and once again this is implementation and interpretation of net benefit to the Nation, not something that needs to be changed in the Act.

The conflict of interest of Council members we have seen bandied about in the press a great deal. It seems to me the last resort of people who don't like Council decisions. If the Committee wants to address that, we would suggest that they use the language that the Alaska Board of Fish uses. It, too, is an industry board, far older than the Councils, and has evolved and has conflict of interest language that has stood up over the course of time, and I think Beth Stewart on the next panel actually has wording for you in her testimony.

If you are going to do anything to the Act other than roll it over—which is really what we recommend—we had a few items that are mainly tinkering and items we can certainly live without. One of them was to let regional directors have in-season authority for certain Fishery Management Acts authorized through fishery management plans without having to go through the **Federal Register** process.

In Alaska, some of these short, quick fisheries rely on high-value species, because there is a three-day wait from the decision to close to get it published in the **Federal Register**, and weekends sometimes take two days. We have had fisheries go over quota simply because of delay of getting things in the **Federal Register**. When the regional director can do this through a fishery management plan, the public process is guaranteed.

Another issue that has become quite important lately is regulatory amendments which are often the conservation amendments.

Actually they seem to bog down terribly in Washington, D.C. Things that are designed to protect the fish end up sitting on somebody's desk while the fish stay unprotected.

For our own group, we have a lobbyist on retainer who we actually call on to go to NMFS and find out whether he can carry them from desk to desk. I don't think this is the way the government should actually work. I think you have heard this in other areas, too. We suggest that time deadlines and regulatory amendments be set, and if the Secretary has not in writing disapproved them as of that deadline, they go into effect at the end of 30 or 60 days.

We suggest that time periods start from the time the Regional Council approves it so that they cannot be held up in the region and therefore keep the Secretary from having to do something or take up something maybe he doesn't want or because they know Washington, D.C.'s offices are clogged up, and that would circumvent the intent, so we suggest the clock start from the recommendation of the Council.

Other than that, I have extensive written comments, but I think those are the highlights that we wish to bring before you, and we appreciate the time.

Chairman STUDDS. Thank you very much. I hope I live long enough to hear someone from New England speak as you have about the Act. It is very nice to hear.

[The statement of Ms. Blackburn may be found at end of hearing.]

Chairman STUDDS. Mr. James Campbell of the Alaska Commercial Company.

Mr. Campbell?

STATEMENT OF JAMES O. CAMPBELL, CHIEF EXECUTIVE OFFICER, ALASKA COMMERCIAL COMPANY

Mr. CAMPBELL. Mr. Chairman, in the time allocated for my remarks, I want to quickly focus on five issues I know are at the center of this debate during the reauthorization. They are conservation of resource, full utilization, protection of coastal communities, Council structure, and conflict of interest.

Some say that the Councils have not been significantly conservative in their management, often citing the NMFS study that documented the many species off the U.S. Coast that remained overfished or not yielding their potential. To the contrary, I am particularly proud of the North Pacific Fisheries Management Council and the actions it has taken to conserve the resources.

There are many examples of this conservation in the Council's record, but one readily comes to mind in my days as Chairman of the Council. That is the conservative management and our protection of the Bering Sea ecosystem resource by maintaining a harvest cap of two million metric tons for groundfish, even though the acceptable biological catch was significantly higher. We put that cap in place in the early 1980's, and have sustained it despite repeated requests.

We had good reasons to refuse to raise that cap. We were unsure on how devastating the foreign harvest of pollock outside the 200-mile zone would be, about the potential impacts of increased har-

vest on sea birds and marine mammals, and about the additional impacts on bycatch species, such as crab, salmon and halibut.

These conservative decisions must rest on good data. I think we have one of the best fisheries data monitoring systems in the country, and with support from all sectors of the industry, we have fielded the most comprehensive observer program.

The North Pacific Fisheries Management Council is now the only Council that is authorized to charge fees for the collection of observer data, and I understand that all Councils are now asking for the same authority. On full utilization, hand in hand with good conservation is wise management of the ecosystem that supports abundant fish stocks. Over the past six or seven years, the Council has moved forward with controls on bycatch, of traditional high value species such as crab, halibut, herring and salmon.

There have been references in the press, national television, and many of the hearings that you have held about waste and discard that occur in fisheries around the U.S. I think we can do better in our management. We need to encourage full utilization, while realizing that some species do not have markets and will need further development.

I would encourage all Councils to improve their management by working toward full utilization, and I understand that this issue is a major one in the Council next year. Possibly increased emphasis can be placed on the current Magnuson Act policy to encourage measures that avoid unnecessary waste of fish.

I agree with the State of Alaska's proposal to the national ocean policy study committee that Congress give clear direction to NMFS and the Councils to make full utilization a national management objective.

Just as important as healthy marine ecosystems are our coastal communities. The Council heard an outcry from Alaska coastal communities in 1989 when outside fishing factory ships rapidly harvested pollock in the Gulf of Alaska, closing down fishing unexpectedly. This led to the inshore, off shore debate. It was one of the most divisive issues ever addressed by the Council.

Both sectors have considerable money at stake, both are under pressure to preserve the fishing opportunities. I blame neither sector for the consequences of their actions. I do applaud the Council for confronting the issue through a definite allocation to each sector. By the way, neither got exactly what they wanted.

Here in Alaska we need to provide opportunities for our coastal communities and their residents to participate in the fisheries that abound in their very backyard or in this case our ocean. I want to applaud Henry Mitchell who will speak to you later today on his efforts in making this happen. As a result of the inshore/offshore issue and other conscientious decisions, some have called for changes in the Council voting membership.

I oppose any changes to that composition. The balance has worked well for 17 years, and our Council has accomplished more in conservation and management than any other Council on record. During my chairmanship of the Council, I can recall only two votes that would be considered Alaska bloc votes. One concerned releasing fish to the Polish joint ventures which had a bad record of high salmon bycatches and the other concerned a halibut

allocation in a small subarea in the Bering Sea, and it was just to send the document out for public review.

I would be negligent if I did not recognize the contribution both the advisory panel and the scientific community bring to the Council. The SSC, as you know, consists of university, private and government scientists. They address each issue that is on the Council agenda. The advisory panel, likewise, is advisory to the Council, and is representative of the diverse number of groups having an interest in the fisheries in the north Pacific. It is an open Council, and it works.

On the contrary, in some Councils, the SSC does not meet at the same time as the Council does, so members of the two groups don't interact. The open system of reaching decisions with open meetings by the Council and its advisory groups is critical to the success.

Finally on the conflict of interest, I think we need to face the fact that Congress established a conflict of interest in structuring the Magnuson Act in 1976, the Congress specifically wanted interested parties to have a say in and accountability for how the resources were managed and preserved. Congress wanted the users of the resource to have a stake in their own destiny. This is abundantly clear from the record of debate on the Act and once again in 1982 when the Congress reaffirmed that it wanted the Councils to make the policy calls.

Nominations accepted for Council membership are supposed to be well balanced and representative of the various interests in the fisheries. If governors respect this balance in their recommended appointments, the system will reflect the original intent of the Congress.

Mr. Chairman, I think the Act is working for the betterment of the resource. I am particularly proud of this Council. Remember, the process is slow, it is not perfect, there are built-in checks and balances, and if we make any changes, let's address those that will encourage full utilization of our resource.

Thank you for this opportunity.

Chairman STUDDS. Thank you very much, sir.

[The statement of Mr. Campbell may be found at end of hearing.]

Chairman STUDDS. Next Mr. Vince Curry, Pacific Seafood Processors Association.

Mr. Curry?

STATEMENT OF VINCE CURRY, PRESIDENT, PACIFIC SEAFOOD PROCESSORS ASSOCIATION

Mr. CURRY. Good morning, Mr. Chairman, Members of the Committee, my name is Vince Curry. I am from the Pacific Seafood Processors Association.

PSPA is a trade group representing companies involved in the commercial processing of various seafood products throughout the northwest and Alaska. We are pleased to once again have an opportunity to participate in the reauthorization of the Magnuson Act.

One of the major changes facing the Act and the Members of Congress who must reauthorize it is to balance the very different needs and circumstances found throughout the coastal areas of the

United States. The challenge faced by Congress is to craft a piece of Federal legislation that is flexible enough to cover the amazing variety found throughout the fisheries of the United States.

The original Act, and most of the amendments to date have followed this course of providing flexibility to the managers. In many areas, the management results have been laudable. In those areas where a Council has fallen short, we would suggest that the problem did not arise as an institutional problem within the Act itself.

We believe that the worst mistake Congress could make in amending the Act would be to move toward a regimented centralized decisionmaking authority based in Washington, D.C.

The Members of the Congress who crafted the Act in the mid-1970's understood that the fishing industry of this Nation is an extremely diverse and complicated structure. The only hope for effective management was to give primary authority to the citizens of the region who are knowledgeable about the fisheries and who had a stake in them.

A careful balance was struck in the original Act between the Councils and the Federal overseers in Washington, D.C. The current Council system and the Commerce Department oversight have served both the Nation and the industry well over the long-term. We feel that making wholesale changes to the system at this time would be an error.

Having covered our general philosophy, I would like to turn to the four points that we would suggest for your consideration during this year's reauthorization process.

Number one, we believe there should be a directive that Councils acquire an accurate assessment of the amount of fish being harvested in each particular fishery. It may sound odd, but there are still some fisheries where the report of total catch is really a loose estimate. It is our opinion that here in North Pacific, where we are dealing with one of the most valuable fisheries in the Nation, we should not risk using a system with potentially huge margins of error in the catch records which are used for quota management purposes.

A uniform system requiring weighing of catch is resource responsible and should be required both from an allocative as well as a management standpoint.

The National Marine Fisheries Service has recently decided to require accurate measurement by weight or volume of all fish caught by those participating in the community development quota fisheries of Alaska. We must ask, why is it important to have an accurate assessment for this seven and a half percent of the fisheries, but not for the other 92-and-a-half percent.

A second issue which Congress should confront is waste and bycatch. We have heard a great deal about it, both here and down in Portland. Bycatch and discard of nontarget species should be addressed if we are to stem the criticism our industry faces. Proposals were recently discussed in the North Pacific Council which require processors to retain non-target species bycatch, process it, and then donate it to charity.

Although this plan has encountered resistance in some quarters, we feel that something like it needs to be explored. A related problem has to do with high discards of target species as well as ineffi-

cient processing. The public will not tolerate fisheries in which 10 or 20 percent or more of the target species catch is thrown overboard or wasted due to inefficient processing and high grading practices.

We suggest that Congress at least look at giving the Council some type of directive in this area. A step was taken in this direction several years ago when Congress statutorily outlawed the practice of roe stripping. The Magnuson Act does speak about maximizing food production, but we are concerned that this goal has been given short shrift in some instances.

A requirement to ensure fuller utilization of commercially marketable species, such as those enforced in some State fisheries, would certainly help.

Number three, several years ago the Commerce Department began requiring that allocative plans be accompanied by a full quantitative cost benefit analysis. Not only was this new standard imposed without any change in the statute, it was given preeminent status during the Federal review process in many cases.

Under this system as it has evolved during the past few years, allocative plans will only be approved if accompanied by a quantitative cost benefit analysis, demonstrating the overall net national benefits from the plan are positive. This sounds fine until you realize that the government has been defining net national benefits as profits made by industry participants. Not only is this not a standard in the Magnuson Act, it is a practice that should not form the major basis for decisionmaking regarding a public resource.

Under the Magnuson Act, net national benefits are comprised of not only the economics of the fishery, but the social and biological impacts as well. The Commerce Department should get some direction from Congress on this issue, so that those three factors are equally weighted.

Fourth, we are concerned about a new interpretation that the Commerce Department is giving to the Act under the guise of partial approval or disapproval. Specifically, the Department appears to have decided that it can make wholesale changes in the recommendations of a Fishery Management Council, implement that modified plan, and do so under the rationale that these actions are a partial approval or a partial disapproval of the plan.

The well established historical notion that the Secretary shall not substitute his judgment for that of the Council's policy perspective is being lost under this practice. We recommend that Congress once again make it clear that the primary responsibility for formulating fishery management plans rests with the Councils.

This concludes my prepared testimony. Thank you for your time.
Chairman STUDDS. Thank you very much, sir.

[The statement of Mr. Curry may be found at end of hearing.]

Chairman STUDDS. Next is Mr. Henry Mitchell, the Bering Sea Fishermen's Association.

Mr. Mitchell?

**STATEMENT OF HENRY V.E. MITCHELL, ESQUIRE, EXECUTIVE
DIRECTOR, BERING SEA FISHERMEN'S ASSOCIATION**

Mr. MITCHELL. Mr. Chairman, Members of the Committee, I am pleased to be here and have the opportunity to testify to you today.

Mr. Chairman, Members of the Committee, my name is Henry Mitchell, I am the Executive Director of the Bering Sea Fishermen's Association. Our association represents over 1500 small boat fishermen in western Alaska from Bristol Bay to Kotzebue, most of whom are natives who basically live primarily subsistence life-style with cash, you know, available to them through in most cases fairly small salmon and herring fisheries.

We over the years have been very much involved in the major conservation issues surrounding fisheries, marine mammals, and sea birds because these species, of course, are very important to our people for sustenance. I have been on the Council for nine years. I think my term expired a day or two ago. It has been an interesting time.

I would tell you at your request how the Council system is working. I think the Council system works very well here. I do not believe there should be major changes at all. There are always going to be uncertain ideas in some folks, there are going to be serious conflicts, this and that and everything else.

I think that the appointment process as it stands, if the Governor of the State of Alaska or the Governor of the various States make fairly good choices, and if the Secretary goes through and reviews appropriately and is tough in that review that you will have the kind of individuals that Congress contemplated sitting there making the major very dynamic decisions across the Nation. So I would say in that regard, please leave that alone.

My prepared testimony covers a number of subjects, but the one of the most concern to me is the basic privatization of the resource, and on the Council I did vote to basically privatize what is in fact a common property resource, and I think Congress really needs through the hearing process and after these hearings to go through and see if in fact the intent of the Magnuson Act really fits you.

It is my belief that there may be some major litigation that would come about over the privatization issues, and if in fact Congress decides that actions like the Council here on halibut and sablefish and actions on surf clams by the mid Atlantic Council are appropriate, I think there needs to be some slight adjustments in the language of the Act to make it very clear that the Council does have this type of legal authority.

My concern there is when you do these privatizations basically at some point if we do get in trouble with these disbursements there will be a demand by some of the fishermen, you know, to be repaid for quota that might have to be taken away from them in future years if we run on hard times.

One of the things that I think you really have to understand well is the dynamics of what Commissioner Rosier and Jim Campbell have spoken about in terms of the community development program. This program, which the Council had the courage to pass, is the most dynamic, innovative, and perhaps the most appropriate

program for bringing economic development and jobs to an area of the Nation that really didn't have much.

I have worked in the villages in western Alaska for over 17 years, and it has been amazing in the last 11 months to see the uplift in spirit, the number of people involved, people working on boats, people going to school, people getting trained, and this was brought about without an expenditure of any Federal dollars. It was brought about by the Council basically saying a certain portion of the allocation will be used for the benefit and for the development of a sustainable fisheries economy. I think it is an absolutely appropriate use of the resource.

Now, on the other hand, many other members of the industry really have serious heartburn about this. They see it as a giveaway to, you know, people that weren't primarily involved with the fisheries. My response to that is that most of these fisheries really, except for perhaps halibut, really haven't been Americanized all that long, and I think that when you look at the kind of despair that was taking place in many of those villages, the high alcoholism rate, unemployment, that this innovative program, I believe, and the record reflects in the last couple of months that these things are changing in those villages based on this type of program.

I don't know if it is possible, I know when you go in to tinker with the Act that certain problems arise, but I really think the Congress should look seriously at perhaps making it quite clear in statute that the Councils do have the authority to do these type of community-based allocations.

With that, Mr. Chairman, I would like to thank you. I think that your Committee in particular has listened long and hard to Alaska fishermen and fishermen across the Nation and has done a good job of helping to protect the Nation's resources.

Thank you very much.

Chairman STUDDS. Thank you very much, sir.

[The statement of Mr. Mitchell may be found at end of hearing.]

Chairman STUDDS. Finally we have Mr. Paul Seaton of the Alaska Marine Conservation Council.

Mr. Seaton?

STATEMENT OF PAUL SEATON, SPOKESPERSON, ALASKA MARINE CONSERVATION COUNCIL

Mr. SEATON. Good morning. I am Paul Seaton, Spokesman for the Alaska Marine Conservation Council. We are a community-based organization with members from Bethel to Ketchikan and Anchorage to Unalaska. We are involved in the commercial subsistence and recreational industries and we are a member of the fish conservation network and support their recommendations which you have been given in Washington.

I personally have been a commercial fisherman for 25 years and been involved in halibut and sea cod, Pacific cod, herring, salmon and other fisheries. Alaska is lucky that its major fisheries resources are still supporting healthy harvests, but the warning signs are all about us. Population declines and numerous top of the food

chain predators and bird species such as murrens and kittiwakes, fur seals, harbor seals and of course steller sea lions.

In the next few days, we will have the thorny headed rockfish added to the overfished species in the Gulf of Alaska.

This morning I would like to ask you to consider three main recommendations. The first is to elevate conservation to a priority within the Act and to institute a precautionary multi species approach to fishery management and research. Currently the economic efficiency standard is the overreaching principle around which fisheries management plans are designed. The target species is the only consideration, and most everything else in the catch is simply discarded as bycatch.

We need to consider predator prey relations in the system. I am sure in the second panel you will hear much more specific recommendations on that.

Secondly, we need to include marine habitat protection as well as sustained fisheries as a priority. This is such a universal principle that I hate to take too much time here, but we want you to realize that the Magnuson Act provides no meaningful basis for controlling such detrimental and shortsighted practices.

Thirdly, and most specifically, we wish you to consider bycatch, economic discards, and wanton waste. The major problem affecting the health of our ecosystem and its productivity is bycatch. Over 507 million pounds off Alaska's coast alone, mainly in juvenile fish, of nontarget species was thrown away in 1992.

You as a Government of the United States have negotiated and affirmed our commitment to minimize this waste, at Cancun, Mexico, in the practices on fishing, at the United Nations conference on environment and development in Rio which was signed by President Bush, we had the Agenda 21, which specifically states the same thing, and now the Clinton administration has a position paper at the United Nations on straddling and highly migratory stocks that says exactly the same thing, yet not much has happened at Council levels to conform to your commitment to reducing bycatch.

How can the Councils do this? Your own staff tells us that the Councils can ignore your commitment because they are not in the law, they are international protocols, so our first request for you is that you actually incorporate the language from Agenda 21 into the Magnuson Act, which is that we will promote the development and use of selective gear and practices that minimize the waste of catch of target species and minimizes bycatch of nontarget species.

Almost everyone agrees that bycatch is a big problem. You have heard it here this morning. I am sure you have heard it all over the country. Alaska Marine Conservation Council wishes to propose a method by which you can solve the problem. The best of all worlds would be a method that is simple, cost effective, easily enforceable, as unobtrusive as possible on current fishing operations and is voluntary.

The method that we are proposing that you use is not new. In fact, it was the most successful technique ever used under Magnuson, and that was to get Americanization of the fisheries resource. That is harvest priority. That is what we did originally. We said, OK, Americans, how much of this harvest can you use this year. It

was 5 percent, let's say. They reserved that amount of the allocation, and the rest was allocated to the other users, joint ventures and foreign fishing.

The next year came along, harvest priority, American fishermen, how much can you use this year? Fifteen percent. That amount was reserved and allocated for the entire fishing season for those here, and the rest went to foreign fishing.

We could use the same technique and it will work by allocating to selective gear. However, harvest priority doesn't have to be a one shot deal. It can be used within groups, such as with trawl gear. How can we do this? We have a great range of bycatch rates exhibited by trawl fishermen.

The Councils are very smart. They can come up with plans that say, OK, if you get below 5 percent—if the average harvest is 10 percent, if you get below 5 percent bycatch you will get harvest priority. What does that mean? Maybe the season will start two weeks earlier for anyone who can demonstrate through their catch rates that they are using gear and practices, it is a combination that reduce bycatch and minimize bycatch.

This is a technique that if you do—if you only do one thing to the Magnuson Act, we hope you will incorporate this principle of selective harvest and harvest priority for those practices.

One cautionary note I must give you, though. Some of the Councils are proceeding with limited access systems, which do not minimize bycatch or economic discards. These limited access systems essentially assign harvest priority. We must caution that if you allow assignment of harvest priority to nonselective gear and practices, you will eliminate the best and the only method we have seen that you can use to really effectively eliminate bycatch.

So I would like to conclude by thanking you for coming to Alaska.

Chairman STUDDS. Thank you very much, sir, very, very helpful testimony.

[The statement of Mr. Seaton may be found at end of hearing.]

Chairman STUDDS. Mr. Young?

Mr. YOUNG. Mr. Campbell, you brought up in your testimony about the problem of conflict of interest in the Councils.

You were chairman, I believe, how many years?

Mr. CAMPBELL. Five.

Mr. YOUNG. During that period of time, did you see any problems of conflicts and if so, how did you handle them?

Mr. CAMPBELL. Don, I have sat on a lot of boards over the years, and you well know, this is the only one that allows this kind of interaction.

I think it is very important that a Council member make known what his conflict is, but there is no question by any individual sitting out in that audience of what that Council member's role is in the industry. You know, I defend it because it is working. The Council chairmen sat for four or five days at their last meeting. They addressed this issue as I understand at least one or two days, and they could not come up with a better suggestion, so I guess the controls are just making sure that you are up front.

Mr. YOUNG. The reason I ask that question, Jim, is that we hear a lot of this conflict of interest and the Act originally was set up for conflict.

Mr. CAMPBELL. That is right.

Mr. YOUNG. If they go back to the history, as you say I think it works, as long as public disclosure is there. I don't want someone that doesn't have any interest in the fishing industry period on that Council, be it a conservationist or sportsman or in fact a commercial fisherman, and when I hear this comment, we have got to change because it is a conflict of interest, if you sterilize the Council, you lose the intent of the Act, so I just want to make that for the record primarily because we are hearing this from different groups that say that the conflict is there, and it doesn't maintain the status or the integrity of the Council, but it was set up that way when we worked on it in our Committee, and then of course on the Senate side, so—

Mr. CAMPBELL. I do think that I was able to function as chairman in the five years that I sat there because I did not have any vested interest in the fisheries, and I think in the appointments sometimes that the governor makes, that consideration should be made.

As you know, I took Elmer Rasmussen's place on the Council who was the first chairman, and came from the business community, and had no—well, he had a vested interest, certainly, he was a banker, and he banked the fishing industry, but there is some advantage to having a member perhaps that has no interest in the fisheries.

Mr. YOUNG. Henry, you were alluding to it, maybe I shouldn't bring it up, Council gave the community development quotas. You were given compliments for that and I will extend it also which was the most vital decision made by the Council, terribly opposed by different groups, but as you mentioned, we have not been Americanized that long, and it did give a shot in the arm for those communities. That was done by the Council; correct?

Mr. MITCHELL. That is true.

Mr. YOUNG. Were you alluding to the fact that what Councils do they can undo?

Mr. MITCHELL. Oh, absolutely. Much of the doings of the Council in the last three years perhaps could be undone depending on the type of appointments that would be made by whoever is governor over the next four or five years.

Mr. YOUNG. How many years are these community development quotas set forth now, three years?

Mr. MITCHELL. The current Community Development Quota program applies to pollock, and I think it runs out in 1995 because it is basically part of the inshore/offshore allocations, and it was the Secretary's intent that during this interim period that the Council strive to come up with a comprehensive allocative program which the Council is looking at, trying to, you know, deal with the whole issue of the overcapitalization in the fisheries, so the Council is contemplating trying to comply with the Secretary's request so that by 1996 there would be a comprehensive program in place that may include certain components of IFQ programs or other

types of limited access programs or in combination with other of the more traditional tools of management.

I think that everybody on the Council recognizes that, you know, the protection of coastal communities goes beyond just those that have been the traditional harvesting communities.

Mr. YOUNG. Well, we will be able to discuss this later on, but I just would like to suggest that this is something that is vital to me and I think to the State of Alaska. I know there are differences in people's opinions in this issue, but it is something we will be working on. I want to compliment the total panel here.

All of you, I will say, stayed within the red light zone pretty close, and those that stepped over weren't that far over, and that is exceptional. You all had something to contribute.

That is the rest of my time, Mr. Chairman. It is just about ready to turn red.

Chairman STUDDS. It is the first time he has ever made it. There is something magical about Anchorage. This is a positive and constructive panel.

Mr. Manton?

Mr. MANTON. Thank you, Mr. Chairman.

Ms. Blackburn, you basically testified that the MFCMA is OK. You did say something, however, on the conflict of interest language in that Act, and you alluded to, what, State statute, that that might be useful?

Ms. BLACKBURN. Yes, the State fisheries are managed by the Alaska Board of Fish which is, once again, appointed industry people just like the Council, and there is a State statute that defines what the conflict of interest is and how it is to be handled, and Beth Stewart, who used to work with the Board, can give you the full language.

Mr. MANTON. I heard an Irish-whisper from His Eminence. What is the language?

Ms. BLACKBURN. That is in Beth's testimony. I did not repeat it in mine.

Mr. MANTON. A lot of the testimony alluded to bycatch control, avoidance of unnecessary waste, and Mr. Seaton made some specific suggestions in this regard. I would put to the rest of the panel, do you agree with him or some of the things that he mentioned in terms of dealing with bycatch and unnecessary discards, et cetera?

Ms. Blackburn?

Ms. BLACKBURN. I think in general we agree with the direction that they are going. Certainly our own fishermen are very conscious of discards and waste. The biggest problems we have confronted is the inability of the Federal Government to bring action against individual violators.

The trawl fleet for many years has asked for a program that we used to do voluntarily by ourselves when we had joint ventures where if a fisherman exceeded the average rate, he got to go to the beach for a week or two and fix his gear. Now, under—if it is a fully domestic fishery, we don't have the control over the fleet we did that each joint venture did. The attorneys are very doubtful that they can enforce any kind of what is now called a vessel incentive program. The Council has passed it.

We do have a test case starting out, and probably two years after the violations were done they tell us that they cannot do what we did voluntarily, which was an on the spot program. It cost you fishing time if you couldn't keep your Act together, so we agree, but it has not been because the trawl fleet hasn't tried, it is because the system has not allowed us.

Mr. MANTON. Should we await the outcome of the courts or should Congress enact some Federal standards?

Ms. BLACKBURN. If you can enact Federal and they can work, we are 100 percent behind it.

Mr. CURRY. If I might add something, Mr. Manton, one thing that Mr. Seaton mentioned, the ITQ system is not necessarily a panacea for bycatch under the current management system we have. It goes back to one of the things I touched on, which is the need for accurate weights or measurement of the catch.

Ms. Blackburn described the fact that it has been quite difficult to bring enforcement cases against fishermen because of the variance in catch data. I think the gravamen of the difficulty is that there is a variance, the statistical reliability of the data is not sufficient for purposes of prosecutions. That leaves the situation where you will have some fishermen who may not cooperate catch limitations to the extent that others are committed to, in terms of managing bycatch.

This reality leads us back to an initial required step which is to make certain that we have quite an accurate handle, at least here in the North Pacific, on what the fishermen are catching and bringing up over the side. We would encourage that that be enhanced in the Act.

Mr. MANTON. Mr. Campbell, do you have anything to add to this?

Mr. CAMPBELL. No, I think Chris has really touched on it.

Mr. MITCHELL. My comments would be that Congress may be able to put in statute a less onerous burden. That of course would be depriving the defendant, of course—the charged fisherman or fisherman's company—it would be depriving him to a certain extent, it would be changing the burden of proof in these type of cases, but the statistical accuracy, perhaps you won't ever get to the level that you really need without changing that burden of proof.

I think Congress does have the authority to set a separate burden of proof for cases like that. Perhaps your legal staff could research that.

Mr. MANTON. Mr. Mitchell, you talked about community-based allocations. Amplify on that a little bit for us.

Mr. MITCHELL. Well, in terms of what the Council, the Northern Pacific Council did, they came up with the Community Development program which Commissioner Rosier has spoken about. Basically the one that we are all talking about today is the Council set aside 7.5 percent of the pollock allocation, and these community-based programs were then able to apply for the use of this quota. They did so in conjunction with other fishing companies that had experience.

What the communities got out of this were jobs, money for new innovative programs, part of the profits have been used to buy small fishing vessels to develop other near shore fisheries for these

village participants. The overall economic benefits are absolutely enormous, but I think the greater benefit has been the uplift in the spirit and the attitudes in many of these villages that are quite poor by anyone's standard, the lack of jobs in many of these villages is absolutely dynamic.

If you were to have any time available to you, I would suggest traveling to some of the smaller, more remote Yupik Eskimo villages along the coast, and there you could see what these difficulties are, but these enormous changes are taking place without any expenditure of Federal moneys.

All that has happened is that a certain percentage of quota, this common property resource was set aside, and I quite clearly believe and I think the Council also believed that this was in the best interests of the country, you know, to handle this question this way.

My only real concern would be the legal challenges to these types of programs, and I would ask your staff also to research perhaps the appropriateness of trying to implement these kind of programs and statutes so that quite clearly Congress has spoken on this topic.

Mr. CAMPBELL. Might I just address that for a second.

Mr. MANTON. If the Chairman will permit me to have another couple seconds.

Mr. CAMPBELL. I run a company called Alaska Commercial Companies, the oldest trading company in the State going back to the Russian America. We have stores in these villages that Henry is talking about. We just recently put a store in Togiak, Alaska.

Let me tell you, you can see the direct impact on those communities by the cash-flow or just, as he mentioned, the uplifting, the excitement to be able to do something in their communities. I can testify, I guess, Don, I even have a conflict of interest there because we sell groceries, but it is working, and it is a good example of what government can do.

Mr. MANTON. Thank you, Mr. Campbell.

I yield back my time.

Chairman STUDDS. Mr. Andrews?

Mr. ANDREWS. Thank you, Mr. Chairman.

Mr. Seaton, I was very interested in your comments, particularly with regard to habitat and the broadening of the mandate, the mission, the authority of the Council with respect to habitat. I wonder if you could amplify a bit your comments on that.

For example, you said that we should require the Council and statute to describe the central habitat in fishery management clients. Then you suggest that we go on to establish a strong national habitat protection program, and you also suggested that we focus on restricting or denying development projects which could adversely affect important fish habitats.

Could you describe to us what you mean by specifically or what kind of development projects you might have in mind and how broad we might want to focus the loan with respect to defining what an essential habitat is?

Mr. SEATON. Those are things that the Council are going to have to deal with individually on different habitats, but the thing is disruption of habitat is of course going to lower the productivity of the fish that are breeding and living in that area. Not only fisheries

techniques and practices that are used to destroy, but also things like certain kinds of oil and gas development where there are no standards against dumping of the drilling muds, et cetera, in the habitats, those exist for other areas of the country. They don't even exist for Alaska. Everything can be dumped here.

Certain mining development we have to watch and see, what estuaries, estuarine situations are going to be problems. We have some restrictions of like bottom trawling in halibut, juvenile rearing areas. Those things need to be identified very strongly, and done on a national basis.

Mr. ANDREWS. Have you seen specific problems with respect to that kind of development here in Alaska? Are there warning signs out there that we could point to in underscoring the need to broaden this mandate?

Mr. SEATON. Well, yes, but I guess we could look at pulp mills and look at discharges, we could look at several other things. You are talking about other than fisheries practices? We would have to talk to some of the other people in the Marine Fish Conservation Council to get the specifics on those.

I am predominantly a fisherman in the fishing technologies, fishing issues, and I could address those for you better than I can the other issues.

Mr. ANDREWS. I find it interesting, very often we battle the right hand of government not knowing what the left hand is doing, and if there are areas that are affecting fisheries that we are not giving entities of the Federal Government authority to look at and consider, obviously we need to do that and establish a law that will allow us to coordinate those.

Mr. Mitchell, I was interested in your ambivalence about the individual fishing quota system. Obviously you support it, but you indicate in your testimony some obvious concerns that you have with it, legal, constitutional, and so forth, but you mention in your written testimony that Congress may want to look at the need to provide positive sanctions.

I wonder if you could describe what those positive sanctions are, and have you thought of perhaps alternative ways that we could provide market-driven approaches to dealing with the resource?

Mr. MITCHELL. Well, in terms of positive sanctions, I personally believe that if in fact somebody is given an IFQ quota and they are to violate the conditions, and I think there should be conditions attached to the use of that quota, there is a lot of fishermen out there that strive very hard and they do things the right way, and, you know, times can be tough and a lot of guys will push it to the limit, a lot of guys will go over the quota, a lot of guys will be doing things that they are not supposed to be doing, and it is my perspective, and I know that enforcement is difficult and it is expensive, but it is my perspective that if in fact the government has given the right to use its property common resource, an IFQ system, if someone violates that right, that quota should be taken away from them.

In terms of sanctions, I think Congress really needs to look at some sort of schedule of how you could take these things away, put in statute levy, if you violate by so much, you lose three times that amount of quota forever. Those type of serious sanctions, you know,

will make sure that people do not violate or think very seriously before they will violate the conditions.

You have given the Council through the secretaries, through Congress mandating the Magnuson Act has given them a pretty cushy right in a lot of ways. The other thing that I am very concerned about is the public reception of the giveaway program, and I really believe strongly, you know, in these days of all the problems in our country, aging population, you know, we have education problems, this and that and everything else there is not a lot of money around for all this assessment work and conservation management and having extra staff on the Councils to do habitat concerns, which I think is important, but where are you going to get that money?

Well, I personally think—and I know a lot of fishermen and processors will argue with this—that Congress ought to impose a fairly hefty fee structure on the use of this resource, and I think it ought to be on all users. If you are a sport fishing user, you know, there ought to be a national marine recreational license. If you are a tuna guy, fishing for tuna on the East Coast as a sports fisherman, I mean, if he can afford a 45-foot Viking, why don't you charge him \$150 for a tuna permit, you know?

The Congress needs to take a serious look at this. The costs of management and the costs of running these Councils is very expensive, and with all the problems in our Nation, at some point we are going to get short shrifted. I think you guys have done a great job of providing the amount of money that is necessary, but I think the public is going to demand pretty quickly that the fishermen and the processors and the people who really benefit from the use of this resource should be paying some sort of fees.

Nobody likes taxes, but I think Congress ought to take a serious look at it.

Mr. ANDREWS. Thank you, Mr. Mitchell.

Thank you, Mr. Chairman.

Chairman STUDDS. Let me ask about some very fascinating and obviously very important issues raised. On the whole question you were just talking about privatization, and essentially the licensing of individuals to take a portion of the public resource, I was trying to think if there were any analogues to that. The only one I can think of that might be analogous is the previous allocation and now I guess the auctioning by the FCC of the right to use frequencies, public air space for broadcast.

I guess that is an analogy. We have just very recently decided—at least the House—to auction those off, so it will be substantial fees. In the past they were just allocated. I assume the air is a public resource, the ability to broadcast on a particular frequency was simply given. It is a very profitable gift, very lucrative gift. Maybe that is analogous.

We appear to be moving toward auctioning that rather than simply allocating it for free. If I understood you correctly, I am not sure it was Mr. Mitchell or somebody else, someone wondered aloud whether or not what everyone thinks of this system of so called ITQs. At least ITQ—they are not pronounceable, these acronyms.

Did someone wonder aloud about absent statutory authorization whether it was arguably legal or not? Do I understand you think it is a good idea?

Mr. MITCHELL. I do because I have had numerous attorneys tell me they are going to blow holes right through all of this eventually, and I think the protection there would be for Congress to basically say, you know, ITQ-type programs, other limited access type programs are specifically authorized by use of the Councils.

Chairman STUDDS. You wouldn't fear high unemployment amongst the attorneys, would you?

Mr. MITCHELL. No, we never have to worry about that.

Chairman STUDDS. Mr. Curry?

Mr. CURRY. One thing Congress might consider doing with regard to the ITQ issue, I think the situation Henry refers to is the concern that you are basically changing an open access system fundamentally into privatization, and a major concern in going through the exercise is do you necessarily benefit or damage certain sectors that compete?

You might consider a standard that applies to the initiation of ITQs: That if you are going to go forward with an ITQ system, make certain that at the beginning no sector of a fishery, of an industry is necessarily made worse off by the implementation action. Then allow the market forces to take whatever corrective measures are needed to reduce the amount of participation. But people fear the system because they perceive the way it may be fashioned during implementation.

I think a natural standard addresses that question, makes it much more palatable and would be helpful.

Chairman STUDDS. What we are talking about from the perspective of Congress is simply creating a clearly defined tool which a Council may choose or not choose.

Mr. MITCHELL. That is right.

Chairman STUDDS. Mr. Seaton?

Mr. SEATON. I would like to reiterate, Mr. Chairman, that the Alaska Marine Conservation Council is very concerned that if the tool you use is the only effective tool you have for reducing bycatch, it is the cart before the horse. If you reduce bycatch first so you minimize it or eliminate bycatch and economic discards, then you don't have a problem with the allocation.

If you step out front and allocate harvest privileges to nonselective gears, you are never going to get a handle on bycatch. We are always going to be sitting there with wanton waste, we are going to—in fact, history around the world shows that some of these programs exacerbate it because it is an economic system where you need to maximize the economics and high grading for the most valuable of that portion of the catch increases.

Chairman STUDDS. I think I understand what you are saying, but as I understand it, I want to make sure I do fully comprehend what you were trying to tell us about harvest priority, that whether or not one uses an ITQ system, one still has the bycatch.

Mr. SEATON. That is correct, in fact, in some cases it actually increases. Our idea is let's say rename bycatch and call it full utilization. Let's go ahead and take juvenile fish and make them into fish meal or animal food.

That is not the position of the Alaska Marine Conservation Council. We don't feel we can remove those animals from the environment. That is part of the food chain, and when we do that,—we can't just change the name of bycatch and call it full utilization because we grind it up into fish meal.

Chairman STUDDS. We do things like that all the time.

Mr. SEATON. But we don't want you to do that. What we want you to do is to use methods to get rid of that incidental take. Target them what you are going to target, catch what you are going to catch and do it in a selective manner that gives the most benefit for everybody. That fish that we are talking as bycatch, someplace down the line is going to be utilized either by another fish that you are wanting to catch or somebody else is wanting to catch or it is necessary for the birds and sea lions and fur seals.

What we want you to do is to specifically require that all the programs, fisheries management plans do fulfill your commitments to reduce bycatch and economic discards.

Chairman STUDDS. I think we all agree with that.

Mr. SEATON. The problem is that the proposals like the Vessel Incentive programs have always been on the other end. They have always been hammering it in. We are going to try to take this guy to court in two years.

What we are proposing is a proactive situation in which a guy will get something if he fishes clean. The conversion to clean fishing will be just as fast as it was to Americanization because there is something you can get by doing it, not that you have got to worry about the cop getting you.

Chairman STUDDS. I want to hear more, obviously not now due to the color of the light, but I want to hear more about your suggestions.

Ms. Blackburn, were you trying to get a word in?

Ms. BLACKBURN. No, with the time considerations, I will see you in Kodiak.

Chairman STUDDS. Nobody found us in Glacier Bay. That is because, I might say, they couldn't see a damn thing.

Let me echo Mr. Young's assessment. This has been an extraordinarily useful hour with this panel. I rarely take this many notes in an hour of a hearing. I have things I want to pursue with you both formally and informally.

I understand the time constraints, we thank you very much, and we will go now as gracefully as possible to the next panel.

[Brief recess.]

Chairman STUDDS. I think we have six members on this panel. If you could take your places quickly, we would appreciate it. We will recommence. Again, let me say to the members of this panel, I think you were all here in the first hour, you have seen how we are constrained to operate by time.

We apologize again for the use of the lights, but it does focus the mind to know that you have only five minutes. We will take you as we did before in the order in which you appear on the list, beginning with Mr. Dennis Hicks, of the Alaska Longline Fishermen's Association.

Mr. Hicks?

STATEMENT OF DENNIS HICKS, PRESIDENT, ALASKA LONGLINE FISHERMAN'S ASSOCIATION

Mr. Hicks. Thank you, Mr. Chairman, Committee Members. The Alaska Longline Fishermen's Association is a Sitka-based association composed of vessel owners and deck hands from Sitka, Pelican, Port Alexander, Petersburg, Tenakee Springs, Ketchikan, and from Washington State.

ALFA, the Alaska Longline Fishermen's Association, has been a strong proponent of conservation and has a well established reputation with the North Pacific Fishery Management Council. ALFA's membership appreciates the opportunity to testify on reauthorization of the Magnuson Act.

In considering the reauthorization, we think that you need to specifically strive to minimize bycatch and waste. As we are fishing out there these days, this, we feel, is the biggest crime, the biggest problem is all the things that are being wasted, they are being thrown away. A quarter of a billion pounds in the pollock fishery, for instance, because they are the wrong size are thrown away.

In the longline fisheries, which is my main fishery, halibut and sablefish, because of what has come to be called the derby system of everybody rushes out there for the one day or a few day opening sets many times more gear than they normally would to get the ground covered for that first all important set.

We are wasting tremendous fish through this. The reason we are wasting so much fish is because when we catch the black cod we throw the halibut away, when we catch the halibut we throw the black cod away, that is part of it, also the dead loss, everyone goes out now and sets hundreds of skates of gear where normally you would go set 30 skates, you do this to cover up the ground. This might be in the black cod fishery you have four or five days to harvest that, to bring that gear back, retrieve that gear and harvest the fish, and by the time you get to the fish at the end of that gear, the bycatch is all dead, everything is dead, and possibly the target species are dead and getting kind of old, but the season is short so everybody has to do what they can. When we get a handle on these problems, we will be a long ways toward sensible fisheries management.

The second main point here is that we feel that we need to go farther in respecting and protecting the marine habitat. We need to start going farther in these efforts because we need to look at the entire ecosystem, the entire habitat and the fish stocks themselves as a complete component, and if we start looking at the habitat as well as the stocks, we will get a long ways more toward doing a good job.

One way to do this is to look at the areas where hard on bottom trawling is being done and consider whether this is a good thing to do there. We run into this in southeast Alaska, where I live, we have a very narrow band of fishable coastline, you can go 15 miles out in front of Sitka and be in 1000 fathoms of water in 6000 feet of water, so we have a very narrow band. It is very fragile, many types of marine corals, and all the fishermen in southeast that I have ever heard, all the city officials and so forth, feel that trawl-

ing should be banned in this area, just because of this. We are concerned about the habitat.

Thirdly, we feel that in reauthorizing this Act that you should make conservation the number one priority. We are looking at declining numbers in most of Alaska's fish populations and certainly in most of the Nation's fish populations. There has been 67 fish species that have been identified as overfished and only 23, if I am not mistaken, that have been identified as being underfished, so this is due to tremendous wastage and bycatch, and it is due to economically-generated decisions. We need to consider these decisions carefully and consider both conservation and consider the marine habitat.

One way to do this is to implement the IFQ program. I know this has been talked about already. There is just nothing in the fisheries that I am in, which is the longline fisheries, that will better address these problems, that will respect the habitat more, that will make conservation the number one priority, that will strive to minimize bycatch and wastage. This is an innovative program that has been discussed and considered for ten years or more, and it is time to do something about it.

I want to speak about the fact that a lot has been talked about conflict of interest. This has been brought up already, too. We at ALFA feel that the conflict is going to come if all the people on the Councils are nonfishery business people or nonfishery interested people, let's say. We feel that people from the fishery business, fishermen, conservation groups, these are the people that need to be there. If you start getting away from these people, it will just get too remote. It will get to where the members don't understand the consequences of a decision, the consequences on the habitat and on the fisheries stocks.

Briefly—the time goes by fast—in terms of this IFQ program, Mr. Sutton in his talk to the Senate committee on Merchant Marine and Fisheries—or, no, the Senate committee on—to another Senate committee stated that we should put this aside for a year or so and not rush in head long into the IFQ plan. Just briefly, in late 1983 the Council contracted with the northwest resource analysis of Seattle to prepare a study of limited access options in the halibut fishery. They concluded that an IFQ system had the most potential for helping out the problems.

In September of 1985, the Council published a date, 9-26-85, in the **Federal Register**, the date that could be used in which your participation in the sablefish fishing would no longer be considered. In March 1986, the sablefish management committee recommends to the Council that all groundfish in the Gulf of Alaska and Bering Sea should be considered for alternative management, not just sablefish.

In September of 1987, the Council adopts statement of commitment of license limitation IFQ management alternatives. I could go on and on with what has happened and how much it has been looked at.

Chairman STUDDS. Oh, no, you can't.

Mr. HICKS. No, I can't. That is right.

Just to finish up briefly, the Alaska Longline Fishermen's Association has seven specific recommendations in considering the reauthorization of the Magnuson Act.

One, Congress should direct Councils to establish explicit rebuilding goals and schedules for depleted stocks.

Two, Congress should change or clarify wording in Section 301, National Standard 1, to establish conservation of marine fish and their ecosystems as the Act's primary intent.

Three, the phrase "promotes efficiency" in National Standard 5 should be amended to "promotes efficiency and social benefits without sacrificing ecosystem health and long-term productivity."

Four, we also suggest that a national standard be added to Section 301 directing regional Councils to reduce waste in bycatch by promoting selective fishing gear and sustainable fishing strategies.

Five, we suggest that the Councils be directed to identify critical habitat in fishery management plans. There is very little in the Magnuson Act about this now, a couple short paragraphs.

Six, we urge Congress to recognize the dependence of coastal communities on fishing and clarify in the Magnuson Act the necessity of providing shore-based fleets with access to local resources.

Seven, we suggest to amend the Magnuson Act to allow fishermen to be assessed for the cost of new programs such as the IFQ program, and we suggest that those fees be dedicated wholly to the intended and regionally approved purpose.

Chairman STUDDS. Thank you, sir. Now here we have an interesting test case. You have just exceeded your ITQ, individual testimony quota.

Mr. HICKS. Sorry.

Chairman STUDDS. That is OK. We haven't got a penalty system in place yet. We appreciate that.

[The statement of Mr. Hicks may be found at end of hearing.]

Chairman STUDDS. Mr. John Jemewouk, Western Alaska Fisheries Development Association. Welcome.

STATEMENT OF JOHN JEMEWOUK, CHAIRMAN, WESTERN ALASKA FISHERIES DEVELOPMENT ASSOCIATION

Mr. JEMEWOUK. Thank you, Mr. Chairman, Members of the Committee. I would like to thank you for your special effort to come here and visit us in Alaska to learn first hand the perspectives of the people that live in Alaska.

Welcome. My name is John Jemewouk. I am the Chairman of the Western Alaska Fisheries Development Association. WAFDA was formed for the purpose of promoting economic development in western Alaska through the community development quota program. The organization was founded by four of the six CDQ corporations: The Bristol Bay Economic Development Corporation, the Coastal Villages Fishing Cooperatives, the Yukon Delta Fisheries Development Association, and the Norton Sound Economic Development Corporation.

Today I also speak on behalf of the Aleutian Pribilof Island Community Development Association, which fully supports this testimony. I also serve as the President and Executive Director to the Norton Sound Economic Development Corporation, which provides

me with direct involvement in the CDQ program. Even though it only started in December of 1992, the CDQ program has been a great success in a region that suffers from a 70 percent unemployment rate, and I do mean 70 percent.

As a lifelong resident of Norton Sound, I have noted the sense of hope that has swept through western Alaska because of the economic opportunities that CDQs have opened up for local residents. Each of the CDQ corporations has used its CDQ pollock allocations to leverage the creation of more economic development projects in the regions. These include: the investments in fishing vessels and shore side facilities, job training programs, new markets for salmon and herring, expansion into new longline and crab fisheries, over 200 local residents employed on vessels throughout the Bering Sea, and in the first two years career opportunities in the Bering Sea fishing industry from processing worker to deck hand to gear operator to office manager.

It is important to note that the CDQ program provides access to fish, not money. The residents of western Alaska have the responsibility for turning this access into economic value.

The pollock allocations are not a giveaway. They are competitive and based on performance. The program is totally monitored by the State and Federal governments. The CDQ corporations must undergo management audits, performance audits and financial audits on a regular basis. We don't object to the scrutiny because it is our best advertisement of the performance of the program.

To the best of my knowledge there has never before been a Federal program that has so much potential and so little cost to the Federal Government. In June, I traveled to Washington, D.C. with two western Alaskans to explain the program to the Clinton Administration officials and Members of Congress.

I was gratified by the extremely favorable comments about the program's potential for providing a sustainable economy, for offering a dramatic alternative to welfare, and for allowing local people to make crucial decisions. I guess in D.C. you call that empowerment.

The program has been so successful that we strongly encourage the Committee to look at making CDQs a permanent part of the Magnuson Act. When you have a tool that has proved its usefulness, you want to keep it on hand on the Nation's work bench. This is clearly the case with CDQs.

The North Pacific Council and the Commerce Department approved the CDQ program on the basis of various provisions in the Magnuson Act. We believe it is appropriate to memorialize this program to a new specific provision in the Magnuson Act.

To succeed and have a long-lasting positive impact on western Alaska, the CDQ program must have access to more species than pollock. As we all know, industries that depend on a single species suffer from severe booms and busts. We hope to avoid this instability by having access to the full range of Bering Sea commercial fisheries.

Mr. Chairman, I have one additional point to make. A CDQ program, however, will do us no good if we have no fish. This is why we attach special importance to the issue of conservation. We were concerned about conservation before the 200-mile limit was cre-

ated, and even though we are now direct participants in industrial scale fishing operations, we are still concerned about conservation, and we were concerned 10,000 years ago about this.

Despite the extra expense, we strongly support the presence of two observers on CDQ pollock vessels and provisions for accurate weight and measurements on CDQ pollock vessels. With the emergence of the Norton Sound Economic Development Corporation before this became a concern, we went ahead and hired two of our local people to also act as observers on the fishing boats, and we still practice that. We want to see the resource benefit not only for our generation but for future generations.

We recommend that this Committee examine measures that would give the Fishery Management Councils more tools to, number one, deal with bycatch in terms of fishing in a timely manner to protect the ocean habitat; number two, collect better scientific data; number three, allow full consideration of management factors in addition to economic efficiency; and, number four, to curtail the administrative roadblocks, that often thwart conservation proposals.

With these tools, the management councils would be able to deal with any conservation issues that might arise.

In conclusion, in regard to the fisheries off Alaska, this would be much more effective than proposals being circulated to change the voting members of the North Pacific Fisheries Management Council. In our experience the North Pacific Council has been strongly oriented toward conservation and has fairly considered all points of view.

Again, Mr. Chairman, thank you for allowing us to provide testimony and our views on the Magnuson Act.

Thank you.

Chairman STUDDS. Thank you very much, sir.

[The statement of Mr. Jemewouk may be found at end of hearing.]

Chairman STUDDS. Next Ms. Kris Norosz, the Fisheries Conservation Action Group.

STATEMENT OF KRIS NOROSZ, VICE PRESIDENT, FISHERIES CONSERVATION ACTION GROUP

Ms. NOROSZ. Thank you, Mr. Chairman, Committee Members. Welcome to Alaska. It is nice to see you here.

My name is Kris Norosz. I am here on behalf of the Fisheries Conservation Action Group. I currently serve as their vice president. We are a coalition of 15 fisheries trade associations.

Our members harvest and process fish from the Gulf of Alaska and the Bering Sea. We formed in 1990 to support effective management measures that protect North Pacific fishery resources and promote long-term sustainable use. We wish to focus attention today on conservation and emphasize support for amendments to the Act that will, one, reduce bycatch; two, provide better protection for fisheries habitat; and, three, encourage the collection of more accurate and timely harvest data.

When you consider the overall health and condition of our Nation's fisheries, it is appropriate that conservation has emerged as

one of the main issues in the current round of reauthorization hearings. Compared to other Councils in the country and despite intense pressures from certain industry groups, the North Pacific Fisheries Management Council has established a good record for resolving management conflicts on the side of conservation.

The North Pacific Council has an established and functioning Scientific and Statistical Committee, and an Industry Advisory Panel that are integral parts of the Council decisionmaking process. We mention this to illustrate that the current system can work for the benefit of the resource, but while the North Pacific Council has made impressive strides on some conservation issues, many other areas still need improvement.

Congress can provide help by clarifying the goals of the Magnuson Act, strengthening its conservation mandate, and providing the means to employ certain management tools. Specifically, we request that Congress identify the conservation of fishery resources as the principle objective of fishery management plans and the regulations promulgated to implement those plans.

No other management problem is more complicated than bycatch, and today it drives the fisheries here in Alaska. In the North Pacific, traditional management techniques have been used to restrict bycatch to acceptable levels. These techniques are marginally successful and have created conflicting results.

We strongly urge Congress to give the Council the tools they need to tackle the bycatch problems. Since the implementation of the Magnuson Act, our experience has been that the National Marine Fisheries Service has narrowly interpreted the national standards to focus on and favor economic efficiency.

Economic efficiency should not be the sole driving force for determining the proper management of our fishery resources. Congress must require NMFS to give equal consideration to wastage, bycatch, habitat degradation, and the maintenance of biological diversity. All of these factors help to weigh the long-term costs of harvesting our fishery resources.

Many of these factors have not been adequately addressed. Hence, Congress must provide guidelines that place these factors on equal footing with economic efficiency. Clearly, the environmentally concerned public has no tolerance for the bycatch mortality and waste generated by some of our commercial fisheries. We can no longer view excessive bycatch and discards merely as a cost of doing business.

Our industry and the resource itself has no future unless we protect our ocean habitat. Therefore, we must modify and improve our gear and fishing practices to ensure that sustainable harvests can occur while protecting spawning stocks, nursery areas and the marine environment.

In 1992 at both the Cancun International Conference on Responsible Fishing and at the United Nations Conference on Environment and Development, an important principle was developed and affirmed. It declared that States should promote the development and use of selected fishing gear and practices that minimize waste of catch of target species and minimize bycatch of nontarget species.

As active fishermen and processors in the North Pacific commercial fisheries, we fully recognize that our industry depends on perpetuation of these stocks and on sustainable harvest levels. We must make the conservation of the fishery resources a shared responsibility among all affected interests.

It is crucial that Congress clearly direct our fishery managers to make the conservation of our fishery resources the Magnuson Act's primary focus. These goals can only be accomplished through the consideration of factors other than economic efficiency—the protection of habitat, the reduction of waste and bycatch, the use of truly effective conservation measures, the promotion of both full utilization and where practicable selective harvest practices must be clearly identified as explicit objectives of the Magnuson Act. Where appropriate, they should also be incorporated into National Standard 5.

If Congress provides these tools, our organization believes that the Management Councils can do the rest. Speaking for a broad cross-section of the North Pacific seafood industry, we wish to thank you for this opportunity to testify.

I will be pleased to provide you with additional information on fishery conservation issues and hope that we can work with you and your staff to develop specific language for the Act that will accomplish the goals we have outlined.

Chairman STUDDS. Thank you very much.

[The statement of Ms. Norosz may be found at end of hearing.]

Chairman STUDDS. Next Ms. Nancy Lande of the Alliance Against IFQs.

Ms. Lande?

STATEMENT OF NANCY LANDE, SPOKESPERSON, ALLIANCE AGAINST IFQs

Ms. LANDE. Thank you, Mr. Chairman, Members of the Committee. My name is Nancy Lande, and I am spokesperson for the Alliance Against IFQs. We are a grassroots coalition and our members range from Dutch Harbor to the State of Washington.

I am here to address the IFQ fishery management plan submitted for approval by the Council. IFQs have been touted as the be-all, end-all fishery management plan as far as conservation safety and management. They will create a market-driven fishery, and the backbone of enforcement will be the honor system among fishermen. It has been deemed fair and equitable to all fishermen.

If we start with conservation under the current management system there is a 750-metric-ton prohibited species cap on halibut, and that is halibut mortality, and the Hook and Line Fishery has just recently been shut down because they exceeded the TAC by 250 metric tons. Under the IFQ plan, the TAC will be eliminated.

High grading addresses not only conservation, but also the market-driven principle. With nine months of fishing and the higher price for larger fish, the tendency to high grade will increase dramatically.

Bycatch will also increase. With the increased fishing time, black market fish is a great concern. The resource could become overfished rather rapidly. Safety has played a major role in the devel-

opment of the plan. According to an insurance industry spokesman there is no way to quantify fishing industries as to the type or the fishery involved.

A drunken brawl in a bar amongst crew members has the same significance as hook in hand. They are both recorded as fishing injuries. The same is true for fatalities and vessel losses. They are not categorized by fishery. They are simply categorized as fishing related. This is not to say that we do not have safety concerns.

Section 303(a)(6) in the Magnuson Act states that there is a possibility for consideration to provide for temporary adjustments regarding access to the fishery for vessels otherwise prevented from harvesting because of weather and other ocean conditions affecting the safe conduct of the fishery. By following what is mandated in the Magnuson Act, this would go a long ways toward saving lives and vessels.

With the seasons the way they are now, most rescues are from other fishing vessels. Under an IFQ, there will be fewer boats fishing over longer periods of time, thus reducing the chance of possibly getting help in a timely manner. This will create more cost for the Coast Guard, and could increase injuries, fatalities, and thus losses.

As far as management goes, if the fishing fleet becomes economically efficient as the SEIS indicates, management will be a breeze. Anytime that you can reduce participation by 90 percent, anything can become simple.

Regarding enforcement, without it, there won't be any resource, and with over 30,000 miles of Alaskan Coast and 7000 miles along the West Coast and literally thousands of ports, harbors and cubbyholes to off-load fish, whether they are legal or not, enforcement is virtually impossible.

With nine-month fishery, enforcement is also going to be pretty difficult. A case in point is the fishing vessel Sunset which is a Petersburg longline vessel. It was picked up three weeks prior to the opening of the black cod this spring; 40,000 pounds of iced fish on board.

Under an IFQ plan, he would have not been—no one would have paid much attention to him being out there, it would have been legal. He may not have had IFQ, but he still would not have been looked at as closely as what he was. The use of primary ports has been written into the plan, and these primary ports are located in Alaska.

The Chief Enforcement Officer for NMFS stated "If primary ports cannot be used, once fish reach the Puget Sound, they will be lost to the system." In other words, you won't be able to keep track of how many fish have been caught.

Article 1, Section 9, Paragraph 6 of the U.S. Constitution states that "No preference shall be given by any regulation of commerce or revenue for the ports of one State over those of another nor shall vessels bound to or from one State be obliged to enter, clear or pay duties in another."

You as Members of the Congress of the United States have sworn to uphold the Constitution, and yet the Advisory Panel, which is the Council, has decided to sidestep it.

We would like to suggest that the Fishery Management Plan set forth by Councils needs to follow more the letter of the law in the Magnuson Act. IFQs are an economic allocation, not a conservation, and without conservation there won't be any fisheries.

Fair and equitable to all fishermen, national standard No. 4, I believe, needs to be redefined or clarified so that the Councils know more how to be fair and equitable to all fishermen.

Thank you.

Chairman STUDDS. Thank you very much.

[The statement of Ms. Lande may be found at end of hearing.]

Chairman STUDDS. Ms. Beth Stewart of the Aleutians East Borough.

Ms. Stewart?

**STATEMENT OF BETH STEWART, DIRECTOR, NATURAL
RESOURCES DEPARTMENT, ALEUTIANS EAST BOROUGH**

Ms. STEWART. Good morning.

I represent the Aleutians East Borough which is located on the Alaska Peninsula and adjacent islands. It includes the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon, and Sand Point. Geographically this area is unique. It borders both the Bering Sea and the Gulf of Alaska.

Sand Point, King Cove, False Pass, and Nelson Lagoon are villages that were sited to create advantages for commercial fishing. During the late 1880's and through the 1970's the smaller, more remote villages were abandoned as dependence on commercial fishing grew. The specter of these abandoned villages haunts this region today.

The entire social and cultural fabric of the remaining Aleut population depends on their continued ability to rely on fisheries resources near their homes. Although the Aleuts living within this region comprise several distinct tribal groups, they share several characteristics and values, and somewhat similar histories.

Today, as throughout this century, these villages rely completely on commercial fishing to maintain their families, their communities, and their independence. Fishing revenues paid for schools, community health grants and capital improvements. The vast majority of these capital projects are related to commercial fishing infrastructure.

To protect their interests as much as possible, borough residents have become active participants in fisheries policy and regulatory forums. They have taken a keen interest in both State and Federal fisheries management issues.

It has been difficult to identify desirable changes to the Magnuson Act. Most of the frustrations our fishermen have stem from the way in which NMFS has chosen to implement the Act rather than flaws within the Act itself. These comments will focus on three issues, comprehensive rationalization, bycatch reduction, and the implementation of conflict of interest standards with recusal provisions.

AEB also shares Chris Blackburn's concerns and comments regarding emergency closure authority. We believe Steve Dennoyer, or whoever is the regional director, should have the authority, if it

is written into a management plan, to close a fishery within 24 hours. Virtually every boat has some kind of communication capacity. Even the small boats are used to receiving those kinds of notices from the State for closures.

Comprehensive rationalization, the current push for comprehensive rationalization schemes to address overcapitalization presumes that privatization of a public resource will result in a net economic benefit to the Nation. It is ironic that NMFS is now concerned about overcapitalization when programs like the capital construction loan fund contributed heavily to this problem.

Although many AEB residents would receive IFQs, the concept that fish can be owned, traded, and even sold before they are caught has no parallel in Eastern Aleut thought. Residents believe that promoting American corporate values into fishery management will result in a focus on short-term profits rather than the long-term health of fishery resources which is critical to the survival of small coastal communities.

On a purely practical level, Aleutians East fishermen cannot visualize how an IFQ system can be implemented without placing at least two observers on each fishing vessel. We do have two communities that do participate in CDQ fisheries, and it is clear from this year's CDQ fisheries that single observers cannot accurately assess when a vessel reaches its quota. Clearly the cost of such observers can be borne more easily by large vessels than by the small vessels operating by Eastern Aleutian fishermen.

These costs will eventually consolidate quota shares into the hands of fewer but significantly larger vessels. The IFQ systems, discussed by the North Pacific Management Council, also provide incentive for establishing black markets for fish.

Miss Lande referred to how that would work. AEB does support limiting the number and kind of vessels that can participate in Federal fisheries, but we cannot support the cost both to the resource and the small boat industry of an IFQ program.

We could also support some revision of the capital construction loan fund to discourage the creation of new vessels. Bycatch, as you have heard today, is a very hot topic. Unfortunately bycatch issues in Alaska tend to be very allocative in nature.

AEB supports bycatch reduction for all gear types. There is no clean gear being operated in any commercial fishery that we are aware of. The key to this appears to be individual vessel accountability. In those voluntary pools that operated in Alaska in the past, bycatch rates were dramatically reduced.

Unfortunately, as Miss Blackburn explained, NMFS and the Councils lack a legal means to construct mandatory accountability programs right now. AEB supports amending the Magnuson Act so that effective VIP programs can be adopted as part of every FMP.

Aleutians East also supports gear research to address bycatch and to improve the retrievability of lost gear. We have significant problems with lost gear in the North Pacific that continues to fish, continues to entrap marine mammals and sea birds. We view that as a significant problem.

Conflict of interest on the Councils appears to be a hot issue during reauthorization. By the very nature, the Councils are composed of people who have some kind of interest in fisheries con-

ducted in the EEZ. We would not want to see people with no interest in these fisheries involved in Council decisions. However, we do believe that at some point a financial conflict of interest does reach a level where an individual should recuse himself from participating in the discussion and the vote.

We submit to you in our written comments suggested language that would address that issue. That concludes my remarks.

Chairman STUDDS. Thank you very, very much.

[The statement of Ms. Stewart may be found at end of hearing.]

Chairman STUDDS. Mr. Peter Van Tuyn, Trustees for Alaska.

Did I pronounce it correctly?

Mr. VAN TUYN. Yes, you did. One of the few since kindergarten that has done it correctly, I might add.

Chairman STUDDS. Ms. Lande, I apologize for mispronouncing your name.

STATEMENT OF PETER VAN TUYN, TRUSTEES FOR ALASKA

Mr. VAN TUYN. Thank you for the opportunity to present to you the views of Trustees for Alaska on Magnuson Act reauthorization.

Trustees is a non-profit environmental law firm with over 1200 members throughout Alaska and the United States and the rest of the world. For over 20 years, Trustees has been a strong advocate for the environment, including the marine environment. Our members use and enjoy the marine environment for recreation, subsistence, economic and other reasons. Our work often focuses on what we consider irresponsible and shortsighted actions which impact the marine environment.

We have also become a member of the Marine Fish Conservation Network and have chosen to take an active role in the debate surrounding the reauthorization of the Magnuson Fishery Conservation and Management Act. Let me repeat that; the Magnuson Fishery Conservation and Management Act. Note that conservation comes before management.

This is no chance positioning of words, but a recognition by Congress and the people of the United States that conservation is the number one priority under the Magnuson Act. It is only once we have truly placed conservation at the forefront of our concerns that we can talk about management, which has unfortunately often become just another word for allocation.

As the history of the Magnuson Act shows, conservation taking a back seat to the allocation has been a problem. We have several ideas on how we can change this.

First, we should instill as a policy in the Act that decisions under the Act be made using the precautionary principle. The precautionary principle states that decisions be made based on available scientific information.

Where there is no information, one must act conservatively, if at all, to ensure protection of the marine environment. Where there is information, one still provides a margin of safety, a buffer zone, if you will, to ensure that overfishing does not occur. This is not, by any means, a radical new concept. The United States has already endorsed this in principle, 15 of the Rio declaration.

Additionally we should institute a multi-species ecosystem oriented approach to fishery management and research. We have to educate ourselves on the complex web of life which exists in the oceans. We must ask ourselves several questions: What is the productivity of a given species? What is the population size? What are the predator/prey relationships in a given ecosystem? It is only through answers to questions such as these that we can conservatively manage our fisheries.

Bering Sea provides a compelling example of the need for this multi-species, ecosystem-oriented approach. We currently allow the extraction of over 5.3 million metric tons a year in all of the Bering Sea of pollock.

At the same time, we have seen bird populations decline, some by as much as 50 percent, and marine mammal populations decline, some by as much as 30 percent. To implement such an ecosystem-oriented scheme, we can begin by defining and prohibiting overfishing of target, nontarget associated and dependent species, including nonfish species such as kelp, sea cucumbers, et cetera.

We should also fund further research focused on understanding the ecosystem. Marine habitat protection must also become a priority. Both within and outside of the fishing industry marine habitat degradation is continuing at an alarming rate. Fishing gear and practices which destroy ecologically sensitive and critical marine habitats simply must be precluded.

We are only compounding our problems in rebuilding fish stocks when we allow the destruction with spawning, nursing and forest areas. Again, this is not a new thought.

The United States has made a commitment through Agenda 21 to, and I quote, "preserve rare or fragile ecosystems as well as habitats and other ecologically sensitive areas."

As Representative Andrews pointed out in the question for the first panel, nonfishing industry-related causes also have impact on habitat, and I will provide some examples, representative Andrews.

For one, deep sea mining often causes toxicological problems. Seismic studies for oil and gas. Currently under the marine mammal protection act, the National Marine Fisheries Service has to consult about activities of the oil industry. On the North Slope right now, we have a dispute about the impact of seismic studies on the bowhead whales and a lawsuit, in fact. Why isn't there the same sort of consideration for fisheries? What are the impacts?

I will also add to that oil and gas facility discharges which, as Mr. Seaton mentioned, although given certain standards, we don't have the same protections as are afforded outside of Alaska.

I will also add to that long-range atmospheric and oceanic transport of toxics, and sort of the international side of the concerns.

Finally, I am a lawyer, and I feel that—

Chairman STUDDS. Nobody is perfect.

Mr. VAN TUYN. On that note, I will add that a citizen suit provision would be well thought out for the Act, and so that citizens who are concerned about conservation and other issues can come in and present those concerns, and an unconditional right to intervene would allow in one proceeding everybody's concerns, conservation, fishing industry, industry to be heard in one proceeding.

Thank you very much.

Chairman STUDDS. Thank you very much, sir.

Chairman STUDDS. Mr. Young?

Mr. YOUNG. I have two things that interest me here.

One is, of course, the IFQ comment, along with what Henry Mitchell was talking about, another gentleman is here that put an awful lot of work into the program with the individual community quotas, but how do you envision—you said there would be no, on the IFQs, supervision, there wouldn't be enough money and Henry alluded to that or moneys talking about a tax.

What if there was a royalty placed upon the catch to pay for the activity of observations, scientific research, et cetera, et cetera? Would that eliminate the possibility of the IFQs not being supervised? Any ideas about that? Because we don't have the money, you are absolutely right. Would that help out?

Ms. LANDE. By taxing—

Mr. YOUNG. Not taxing, a royalty.

Ms. LANDE. That is a dirty word, yes. The royalty, so if you land the fish you pay a royalty on it.

Mr. YOUNG. For the supervision, observer program, research, et cetera, enforcement.

Ms. LANDE. I guess that is possible. It would definitely be more fair and equitable to everyone. As a salmon fisherman we pay a 2 percent aquaculture assessment on what we land and this year a new royalty of 1 percent for ASMI, so it is something that most Alaska fishermen are familiar with.

Mr. YOUNG. What I am saying, though, that is Alaskan fishermen. This would have to be nationwide, it is not just for this area. I am trying to stay away from the idea of not only the word tax, when you tax it goes into the general fund, and that is what I am adamantly opposed to. If we are going to fund the oversight, enforcement and the conservation and all this, I have to agree with Mr. Mitchell, I don't know where we are going to get the money. In fact we are fighting, the Chairman and the Members of this Committee, to try to keep money in NMFS and the Coast Guard, and that area and it is very difficult to do.

When you give a right there has to be a responsibility to fund the program. That is something we are going to have to address. Whether we can do it through this legislation or not. One of the unfortunate things when you take away or happen to add to a bill, then because we reformed the Congress in 1974, other committees tried to get their grubby little hands on the legislation, and we have to be very careful we don't add the word tax or the other things that affect fisheries because all of a sudden it ends up in the Interior Committee, Natural Resources, et cetera, et cetera. I am looking for a way to fund this program.

Ms. LANDE. To fund the IFQ program?

Mr. YOUNG. The whole Magnuson Act, because you brought up the idea that the IFQs won't work because they can't be observed, there won't be any enforcement, et cetera. I think I heard that in a lot of the other Members, too. That is what we are trying to work for.

Ms. LANDE. As long as it was appropriated, I don't think any fisherman would have an objection to paying a royalty, a poundage

royalty as long as they knew that money was specifically going back for its intended purpose and not going into the general coffer.

Mr. YOUNG. We have that problem. We want someplace where the money goes, not just another tax on fishermen. It ends up sometimes not being spent on what it is for.

Again, I want to compliment this panel for your work and your interest. I again suggest that we will work this thing out and hopefully we will have the same type of meeting of minds all the way through this hearing process, and we will come back with a piece of legislation that has worked in the past and will work in the future.

Thank you, Mr. Chairman.

Chairman STUDDS. Mr. Manton?

Mr. MANTON. Thank you, Mr. Chairman.

I will direct my first questions to Mr. Jemewouk regarding the CDQs, the Community Development Quotas. As I understand it, this is something that was developed by the North Pacific Council in terms of inshore/offshore fishery allocation, so that are you suggesting that we enshrine into Federal law this concept for all of the Councils?

Is there any need for us to act since we apparently have implemented this on a local level with some assistance and input from the State of Alaska?

Mr. JEMEWOUK. We would ask to make available to the other areas but the main thrust of our testimony right now is to add some language into the Magnuson Act authorizing the program to be extended beyond 1995.

Mr. MANTON. So right now the COQ program is due to expire or sunset in 1996, and obviously a new Council and new people conceivably could say we don't think it is a good idea anymore. As I understand it then, you would like us to recognize this program as a good idea, and a lot of people have indicated it seems to be a good idea, and ensure its continuation by amending the Magnuson Act accordingly.

Mr. JEMEWOUK. The concept could change, members are appointed to the Council and there is that possibility of the programs not being authorized beyond 1995.

Mr. MANTON. Thank you, Mr. Jemewouk.

Ms. Lande, I am very skeptical of the individual quotas for lots of the same reasons that you cited. The chairman and I serve on the Energy and Commerce Committee, and we have recently dealt with, and he mentioned that before, the allocation of spectrum or frequency for broadcasting. We have gone from a lottery system to the idea now that broadcasting spectrums are a resource owned by the people of the United States and should not be given away but rather should be auctioned. I think the budget people say such an auction is going to raise some \$7 billion for the United States of America when all this goes through.

Do you agree that if we could enforce these quotas that this would be a good idea, and if so, how do we allocate? Do we give it away, do we sell it, do we auction it, do we have a lottery? What would be the way to go?

Ms. LANDE. Auctioning I don't believe is very feasible. In the State of Alaska you have a very large group of small boat fisher-

men. We wouldn't have a chance of trying to bid against these large longliners. We are just small business people.

Mr. MANTON. I might say that we have, I think, set aside some exceptions in the sale, in the auction of spectrums to protect some of the smaller more innovative companies against just money being the standard. People who have shown innovations and so forth would receive some kind of preference.

I would assume we would not want to have an auction where just the highest bidder would take all, that there would be some recognition that there are smaller entities, family-based, individual-based that are in the fisheries now that should be given some kind of preferences if a quota were to be sold.

Ms. LANDE. Yes, you could possibly put guidelines in that. Probably the only opposition or problems that I could see would be you have national standards right now that specify what a fishery management plan is supposed to contain, and its past and present participation of the fishery, the makeup, you know, there are several criteria, of which this particular plan says it addresses when if you really get into the meat of it, it does not protect who it is supposed to protect, and that is the majority of fishermen.

You could try to work something out as far as an auction system goes to try to protect them, but I think you would end up with the same problem that we are facing right now.

Mr. MANTON. Mr. Van Tuyn, you talked a lot about the conservation and the ecosystem type approaches to fisheries management. We heard a lot about that down in Seattle and Portland where they are quite concerned about the fall-offs of salmon for lots of reasons, the so-called 4-Hs down there—hydro, habitat, hatcheries and harvest—all of these things contributing to the decline of their salmon stocks. This is perhaps not felt so much in Alaska, but may I ask other members of the panel to talk or to comment on Mr. Van Tuyn's testimony about an ecosystem type approach.

Ms. Stewart?

Ms. STEWART. We certainly view that as the ideal situation. We have fisheries now that are going to be driven by the Endangered Species Act, the Steller sea lion problem that we have, the harbor seal problem that is coming up and concern about some bird populations. It is pretty clear based on long-term fishing industries in the region that if you focus on a single species, somewhere along the line things get out of character, so we support the ecosystem management.

I get a little concerned with NMFS right now, and again this isn't a Magnuson problem. This is a NMFS problem, who just seem to dig in their heels and say, well, we don't have the capacity to do that, and that is the end of that report. As far as the habitat concerns that go into that, unlike other people we are not interested in seeing the Council deal with habitat issues or have habitat authority.

We don't think they have currently the expertise, and certainly not the time. Those habitat consultations, as far as we are concerned, will only be effective if National Marine Fisheries Service has a strong role in commenting and perhaps prohibiting some of the Corps of Engineers permitting and other agency permits, so we

would rather see those provisions strengthened there and not at the Council level.

Mr. MANTON. My time has expired.

Chairman STUDDS. Mr. Andrews?

Mr. ANDREWS. Thank you, Mr. Chairman.

Just to follow up on that line of questioning with regard to the ecosystem, Mr. Van Tuyn, you mentioned some specific examples of the kinds of development that might have an impact on the ecosystem. I wonder if you or any other members of the panel could comment on how we deal with those issues with respect to this Act.

Mr. Seaton earlier today suggested that we give the marine fisheries service authority to modify, to restrict or actually to deny these development projects if there is an adverse effect on the ecosystem, and I wonder if you could give us some suggestions on how we might confront that issue in this particular Act.

Mr. VAN TUYN. I have two points.

First of all, I think the number one priority is knowledge, the lack of knowledge that currently exists. We need to get some research so we can understand these ecosystems. It is unfair to everybody to proceed without that knowledge, and second, maybe we can use the Marine Mammal Protection Act as something of a model, modify it for the Magnuson Act, but require consultation between industry which has impacts, nonfishing industry which has impacts in development projects to talk to the National Marine Fisheries Service and try and quantify those impacts on the fisheries issues. I would present that as a model.

Mr. ANDREWS. Yes, Mr. Hicks?

Mr. HICKS. Mr. Andrews, yes, the Alaska Longline Fishermen's Association feels very strongly in favor of these points he brings up, Mr. Van Tuyn, and in fact we would like to change or clarify the wording in Section 301 national standard one, the first thing that is written, establish conservation of marine fish and their ecosystems, and this is a new way of saying it, so many decisions are economically generated, and they have a phrase, "promotes efficiency."

We would like to change that to say the phrase "promotes efficiency" in National Standard 5 should be amended to "promotes efficiency and social benefits without sacrificing ecosystem health and long-term productivity."

In other words, what we are looking at wanting to do is take a whole different focus as this reauthorization is coming up, considering the habitat, considering conservation. There are many ways to look at it, and whether you say the ecosystem, the environment, but we suggest that the Council be directed to identify critical habitat in fishery management plans. They are not required to do that now. They can talk to or send in a request for this type of information to the government group, the government organization that is coming out with something to say how is this going to affect the habitat.

We think this should be mandatory in every fishery management plan, so the Alaska Longline Fishermen's Association certainly thinks these are the number one priorities.

Mr. ANDREWS. Thank you.

Ms. Norosz, I would like to ask you if you could expand a bit. You talked quite a bit about the bycatch problem, and you have made some suggestions of how we might change the Magnuson Act with respect to those. You mentioned, for example, incentives to develop gear and other fishing practices to reduce bycatch, you also said that we should be able to enforce individual accountability over the maintenance of confidentiality.

You also talked about providing councils with legal and technical tools to manage bycatch. Could you give us a little more specificity as to how we might actually do that, what kind of incentives are you talking about and how do we enforce individual accountability and deal with the issue of confidentiality?

Ms. NOROSZ. Mr. Chairman, if I might, I guess in terms of creating incentives certainly one way is to simply put bycatch rate cap that a vessel has to perform underneath in order to continue fishing. Taking away fishing privileges is certainly an incentive to clean up your Act.

One of the problems we have confronting us today is in terms of individual accountability, and we are really encumbered with the burdensome problem of confidentiality, and I think that some of the previous panel members have spoken to this, the problem with the Coast Guard and NMFS wanting to prosecute vessels that have had extremely high bycatch rates, but because of the confidentiality haven't been able to proceed with those cases, and it is really frustrating in the fishing industry to see a couple of bad actors shut the whole industry down.

It is a tremendous cost to our industry, and it is a tremendous cost to the Nation, and so those are some of the tools I think that we need to consider implementing for the Magnuson Act to take care of those problems.

Mr. ANDREWS. So just waive the confidentiality issues, just simply say that this is something that we should not be concerned about in the law?

Ms. NOROSZ. I think we need to free it up. I think there has been testimony given by NMFS suggesting that at least we shorten the time that those records remain confidential.

Mr. ANDREWS. Thank you very much.

Thank you, Mr. Chairman.

Chairman STUDDS. Thank you very much.

One specific question before I make a couple of general observations. Ms. Norosz, Mr. Andrews just asked you, you said in your testimony I think that we should give councils the tools they need to tackle the bycatch problem.

Specifically what tools do we need by statute to give them that they don't now have? Is that what you meant when you said that?

Ms. NOROSZ. Well, I think that you need to define more explicitly what bycatch is, make it very clear that it is national policy to reduce fishing waste. The bycatch in the North Pacific is horrendous. I think we throw away something like 500 million pounds of fish a year. We don't need to do that, but the Council is sometimes reluctant to reward those that have clean fishing practices because in the Magnuson Act once again we are told that economics has to drive our fisheries, and so I think that it would be relatively easy to give them the tools to do that by, one, noting that conservation

is your number one objective, and to also allow them to weigh other factors besides economic efficiency when determining the proper management plan to go with.

Chairman STUBBS. As you know, at least under the Act as it is currently written in the spirit of the Act, it is not the responsibility—we made a conscious judgment that it ought not to be the responsibility—of the Congress to make judgments about particular management techniques or tools, but I think what we want to do is maximize the number of arrows in every council's quiver, if you will, give them the maximum of the tools over which they may select based on their regional knowledge and even the problems. In that sense, we are looking for more tools that need statutory authorization.

With regard to the community development quota, I was asking Mr. Young whether that was controversial since everyone here had nice things to say about it. He reminded me we just left Seattle and there might be some controversy from down in those parts about this, but if it needs statutory authority, clearly we could explicitly authorize such a program without mandating it and the Council could proceed to choose it or not to choose it, at least without running the risk of legal challenge if they decided to choose it.

With regard to royalties on the IFQ, I was the one who raised the auction analogy. I didn't mean to suggest that we ought to auction IFQs, if we had such a system, but perhaps the concept of collecting royalties for this privilege in a reasonable amount to pay for enforcement is an idea worth considering. It is always astonishing to me, and we heard it again today from Ms. Lande and others, that fishermen are more aware than anyone else of the need for enforcement.

Once in a while you get rid of the ridiculous clothes that Mr. Young and I are now wearing and talk to real fishermen where they live and work, you are stunned initially that the strongest words for enforcement come from fishermen themselves. They know there are cheaters, and they know that to the extent that those who are inclined to cheat get away with it makes it difficult, that the willing majority of the fishermen do it the way they want to do it.

It creates an incentive for them to try to get around the plan, so maybe if we can authorize such a system and let Councils choose whether they want it or not. We could at the same time make it abundantly clear that royalties for that privilege are appropriate. I think that is clearly so.

You are awfully lucky, I was just thinking as Mr. Andrews was talking about the ecosystem, that is the word of the day, as you know and the Secretary of the Interior who is here now speaks, I think, very eloquently to the need to take a broader approach to our environment generally, to ecosystem basis, and he thinks to try to avoid the proverbial train wrecks on the Endangered Species Act. Having listened to the problems of Oregon and Washington and the endangered salmon stocks there, which is both an endangered species question and a fisheries management question, you don't have all four of the H's to contend with here.

You don't have the hydropower problem and the extraordinary extent of damming of rivers that they have there. I guess you have

questionable harvest problems, questionable habitat—well, you don't have the habitat degradation either, which is part and parcel of the problem.

We have now got ourselves in such a bind in Oregon and Washington and northern California with regard to the salmon stocks and other species that it is abundantly clear there is no way on earth we can approach this without an ecosystem wide approach or at least a watershed wide approach. What is less clear is how the hell you do that given the fractured jurisdiction of both executive agencies and of congressional committees.

In our hearing in Portland, the first three witnesses were three different Federal agencies. I observed there they were, there was the problem right in front of us at the table. Not only that, Secretary Babbitt has observed—he inherited the Secretaryship of the Interior—he found that the troops within his own Department were at war with one another, never mind with other departments, there was a Civil War in his Department amongst the agencies, and in turn they were all battling other agencies.

There were State agencies testifying, regional agencies testifying, and neither the average citizen nor the average salmon can make a lot of sense out of this situation. I think what people were saying down there is we need something of a salmon czar to take over and make some decisions on a watershed basis or we will never get anywhere. At least you aren't yet, as far as I know, up against it to that extent with regard to your salmon fisheries.

I must say, looking at some of the management techniques that are chosen here, these 24 hour openings must raise safety questions, they just must. The incentive to do everything you can in 24 hours, must drive people to do things that a normal rational person would not normally undertake at sea, and although as I said it is not our responsibility to tell the Council what to do and what not to do in a particular situation, I sure wish that somebody could think that one through.

Anyway, having said that, I want to echo again what Mr. Young has said—does anyone else want to make any final comments?

Mr. YOUNG. Mr. Chairman, I may. One thing that bothered me, I kept hearing just in the background from both panels is a lot of what is made decision wise is made without any real factual biological base. If there is anything we can do is to get more of a network of scientists that understand this problem, out of my mouth it sounds very strange, the ecosystem.

Chairman STUDDS. Isn't it beautiful?

Mr. YOUNG. But unfortunately we base a lot of our decisions on our individual era, maybe longliners, purse seiners or gillnetters or whatever it is, without any real knowledge. I do think if anything, go back to the concept of raising the money that puts money into that scientific information so factually you can make the decision.

I broke the mold the other day and supported the Chairman's biological survey bill in Merchant Marine and Fisheries because I do think right now we don't have that information, we don't understand everything, and through knowledge you gain the ability to make wise decisions.

Unfortunately it went over to the Natural Resources Committee and my other chairman, who has a different drummer to follow,

decided that private rights, private landholders should not be protected, so he kills the bill, and we will not be able to achieve what we are seeking if this stays in, I will guarantee you that, so I do think one thing you all can help me out on is the fact that encourage that background so we know when we make a decision so we know what we are talking about.

I don't want to hear stories about what things are happening from one interest group without any back-up, because that won't fly.

Thank you, Mr. Chairman.

Chairman STUDDS. Who says you can't teach an old halibut new tricks. The concept of the National Biological Survey was really that of Secretary Babbitt, as you just heard supported by both Don and myself. At the root of everything, everyone has said here and in Portland and in Seattle is until you have the best possible knowledge you obviously don't have a chance of making the right and wisest decisions.

It is clearly something that the Secretary deserves a great deal of credit for. We are going to try very hard to get that enacted. As you can now see, Don Young and I are two of the remaining conservatives in Washington.

Why are they laughing?

Mr. YOUNG. Did you say conservatives?

Chairman STUDDS. I certainly did. You consider people in Washington who take that, and you consider what the dictionary says it means, we are in fact two of the remaining ones.

Let me say I had no idea the Act was working this well. That is because I come from New England where no one would say the nice things that people have said about it here. When this bill was first being debated—I think I see some faces in this room who are old enough to remember it who participated in that legislation in the mid-1970's—it was known in the first two years as the Studts Magnuson bill, and two or three congresses later when the awesome Senator from Washington State was on his last legs, the Senate actually amended the statute to change the name to the Magnuson Act, which it is in fact in law the name, rather unprecedented, but then when you consider the Senate, it shouldn't surprise you.

Since then I have watched the problems in New England and I am quite happy to call it the Magnuson Act. I think you all know and I always close the hearing especially in Alaska by saying Don and I have decided that if we can rewrite this in a way that will ensure that it will really work well, we will also rename it, and it will of course be the Young Studts Act.

With that we adjourn.

Mr. YOUNG. Thank you, Mr. Chairman.

[Whereupon, at 11:56 a.m., the Committee was adjourned; and the following was submitted for the record:]

Alaska Groundfish Data Bank



TESTIMONY SUBMITTED BY CHRIS BLACKBURN
ALASKA GROUNDFISH DATA BANK
KODIAK, ALASKA

TO THE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES

MAGNUSON ACT FIELD HEARING
ANCHORAGE, ALASKA
AUGUST 12, 1993

For the record I am Chris Blackburn, director of the Alaska Groundfish Data Bank which represents shorebased groundfish processing plants and trawl catcher vessels in the Gulf of Alaska and Bering Sea.

The Alaskan groundfish fisheries are all federally managed through the North Pacific Fishery Management Council -- a forum in which we are very active.

BASICALLY WE ARE HAPPY WITH MFCMA, and would be willing to see the act reauthorized without any changes. The act provides a strong framework for conservation and management of our marine resources and certainly here in the North Pacific the act has worked.

Since the Act was passed in 1975 the North Pacific groundfish fisheries changed from fisheries totally prosecuted by foreign vessels and processors to fisheries totally prosecuted by U.S. companies. What is even more important is that, despite the transition, despite rapid technological improvements in fishing gear and electronics and despite overcapitalization of catching and processing capacity, the fish stocks are still strong.

The Alaskan fishery industry learned during territorial days when its salmon stocks were overharvested and runs decimated that conservative management is the only way to assure the industry a future. This lesson has carried over to all of Alaska's other fisheries. The MFCMA has provided the Alaskan industry the tools that were needed to carry Alaska's conservation ethic into the EEZ under federal management.

Among the recent regulatory measures implemented by the North Pacific Fishery Management Council as the result of pressure by industry are the industry funded observer program and the reduction of Gulf rockfish quotas to allow for rebuilding. (The stocks were heavily overfished by foreign vessels prior to passage of the MFCMA.)

We are aware, however, that concerns have been raised elsewhere -- by those truly concerned that management could be better and by those looking to further their own particular interests. The following section addresses these issues.

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FINANCIAL CONFLICT OF INTEREST: The State of Alaska's fisheries are managed by an industry Board of Fish. If there is desire to strengthen federal conflict of interest standards we suggest the standards used by the Alaska Board of Fish be incorporated into the Magnuson Act.

We feel strongly that the industry should be governed by those involved in the industry. Only industry members have the knowledge and experience necessary to address industry problems. And industry members have a very vested interest in assuring their own future through conservative management. Generally speaking, in Alaska we have found industry members to be more conservative than the scientists -- and far more conservative than the economists.

Further, financial conflict of interest is a simple conflict to recognize and regulate. I am far more concerned about the non-financial conflicts of interest which we have seen among some (but not all) non-industry council members who have served on the North Pacific Fishery Management Council:

1. Scientists may have pet theories they want to test, promotions that may depend on going along with a prevalent viewpoint or graduate students for which they wish to find funding and/or thesis projects. I have seen all of the above at one time or another bias scientific advice to the North Pacific Fishery Management Council.
2. Politicians occasionally get appointed to councils to improve their image in the fishing industry. Their decisions may be guided by politics instead of the good of the resource.

COUNCIL COMPOSITION: We feel the Magnuson Act gives the Secretary clear and adequate guidance on the criteria for a Council appointee. However, that guidance does not always appear to be followed. Rather than make any changes in the act, we suggest that the Secretary adamantly require that ALL the names submitted by a state governor meet the criteria set forth in the MFCMA and, should a governor's nominees fail to meet the MFCMA requirements, refuse to accept the names.

It could happen that a State, because its governor failed to submit names which met the MFCMA criteria, ends up in August with one of its Council seats vacant. I can think of no stronger and clearer message to the States that the Federal Government takes seriously the quality of its appointments to the Regional Councils.

DESIGNATION OF AN ENVIRONMENTAL SEAT ON EACH REGIONAL COUNCIL:

Since our fishing community includes bird watchers, former biologists, members of environmental groups and environmental activists, I am rather puzzled by what constitutes an "environmentalists." If seats are to be designated for special interest groups, then I suggest seats be designated for every special interest group, including gear groups -- not just one particular special interest group.

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IMPROVED CONSERVATION: Under the general heading of "conservation" a whole medley of issues tend to collect: a few true conservation issues and many allocative issues in conservation costumes. Any of us with any creative spark at all can dress the most blatantly allocative issue in conservation language and decorate it with conservation justifications.

We are concerned about real conservation -- taking care of all our marine resources so that they remain renewable resources and the ecosystem which provides our livelihoods and feeds the world remains healthy.

Legislation can promote and create the opportunity for conservation as the MFCMA does, but no legislation can successfully assure conservation. The assurance of conservation occurs, I believe, under the following conditions:

1. A good working relationship between scientists and industry that includes respect of each group for the other.
2. Involvement of industry in research priorities and, when appropriate, in research design and in the research itself.
3. Adequate funding for research.
4. A financially healthy industry. Starving men will kill the last dinosaur.
5. Enforcement that concentrates on crimes against the resource (not paper violations) and is followed by timely and severe punishments that far outweigh any profit which might have been gained by the infraction.

ECONOMISTS: The MFCMA recognizes the validity of social and economic issues as well as conservation issues. Where the long term health of a stock is seriously at stake, it is obvious that true conservation issues should outweigh economic and social concerns.

We do have concerns that the theories under which the NMFS economists appear to be working, at least in Alaska, are contrary to the long range health of the industry and to conservative management. The MFCMA requirement to consider "net benefit to the nation" as well as the term "efficiency" have been interpreted as "maximum short term corporate profits."

Under the "net benefit to the nation" requirement, conservative management to encourage rebuilding of depleted stocks has been opposed by economists. Since biologists can't say how fast and how much the stock will rebuild, the economists determined that the loss of revenue caused by reduced quotas is not in the interest of the nation.

A processing operation which does many species and holds its markets even during years when there is little or no profit in a particular species or product, because the processor knows that market may be profitable next year -- in other words, a prudent business man -- is considered a net loss to the nation.

Net gain to the nation, according to the economists, is produced by the company or operation which made the biggest profit last year -- usually a big boat operation which targeted only the highest value species and produced only the most profitable product.

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I HAVE A FEW RECOMMENDATIONS, should Congress decide to make changes in the MFCMA this year. I want to emphasize that we feel the act is working and all the following suggestions are in the spirit of "if changes are going to be made, consider these proposals too."

1. Provide legal language allowing Regional Directors Inseason authority, when provided by the Council in a Fishery Management Plan (FMP), to take specified actions such as closing a fishery without waiting for the notice to be published in the Federal Register.

The requirement that all regulatory actions be published in the Federal Register takes at least three days. In the Gulf of Alaska where many high value species quotas are small, effort large and fisheries short, the three day delay in closing fisheries has resulted in overharvests for some critical species and underharvests in other species.

2. Define "net benefit to the nation" so that more than short term corporate profits are considered.
3. Prohibit law suits against NMFS on conservation issues unless it can be shown that NMFS clearly acted against the advice of its own and the Regional Council's scientific advisors. I believe when the Council and NMFS, in an open public process, have acted on the best advice of their scientists, neither NMFS nor the industry should be subject to suit by law firms.
4. Include conflict of interest requirements similar to those used by the Alaska Board of Fish.
5. Set time deadlines for regulatory amendments which allow any regulatory amendment to automatically go into effect after the deadline is reached unless specifically rejected in writing for cause by the Secretary. I suggest 60 or 90 days after approval by the Regional Council.

Many of the regulatory amendments promulgated by the North Pacific Fishery Management Council are promoted by industry for conservation reasons -- and are thwarted by the slowness of the process.

Those of us who maintain Washington, D.C., lobbyists have our lobbyists hand carry the documents from desk to desk.

6. Include under the MFCMA non-commercial fish species which are important prey items. In the Gulf of Alaska it is absurd that there is no mandate to survey, assess, evaluate or in any way pay any attention to forage fish such as sand lance, capelin and euphausiids which are important food species for most of the commercially important species.

Because there is no emphasis on forage fish which aren't commercially fished, there is no incentive for research on these species and those who might want to study forage fish find it impossible to obtain funding. In the age of

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ecosystem consciousness and eco diversity concerns, this oversight is unconscionable.

7. Make provisions for mandatory industry assessments to pay for industry approved research. The first step in this direction was taken with the North Pacific Research Plan, intended to allow industry to assess itself to pay for its observer programs in Alaska. Salmon fishermen, under Alaska law, can form regional aquaculture associations and assess themselves to pay for hatcheries and enhancement projects.

It is important that the federally managed fisheries and industry have this same opportunity on a regional basis. We do not want assessments that disappear into the general fund or end up funding work in Maine with Alaska money.

8. Make provisions that allow for sale of the resource to pay for survey work. This method is used by the International Pacific Halibut Commission to fund its halibut surveys. We feel much of the survey work needed in Alaska could be funded in the same way. The fish needed to fund the survey work could be subtracted from the quota if necessary.

Thank you for this opportunity to appear before the Committee on Merchant Marine and Fisheries and for your continued work to assure the health of our marine resources and our fishing industry.

TESTIMONY OF JAMES O. CAMPBELL
CHIEF EXECUTIVE OFFICER
ALASKA COMMERCIAL COMPANY
Before the
HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES
August 12, 1993

Chairman Studds, Congressman Manton, Congressman Young, and other distinguished members of the committee, I am Jim Campbell, Chief Executive Officer for Alaska Commercial Company, and past member and chairman of the North Pacific Fishery Management Council. I appreciate this opportunity to present my personal views on re-authorization of the Magnuson Act.

The fisheries off Alaska have changed dramatically since I last testified on fisheries before a congressional committee in 1985. My remarks then concerned the need to eliminate foreign fisheries and encourage U.S. companies to harvest and process the fish. I argued on behalf of the North Pacific Council, that rather than legislate a foreign phase-out schedule, the councils should take the lead in ending foreign directed activities. You listened to us and we followed through. Only three years later, by 1988, well ahead of anyone's expectations, foreign directed fishing had ceased, displaced by joint ventures which in turn were displaced by the fully expanded U.S. fishing and processing sectors. The last foreign joint ventures off Alaska were in 1990.

In the time allocated for my remarks, I want to quickly focus on five issues that I know are the center of debate during this re-authorization. They are conservation of the resource, full utilization, protection of coastal communities, council structure, and conflict of interest.

Conservation

Some say that the councils have not been sufficiently conservative in their management, often citing a NMFS study that documented the many species off U.S. coasts that remain overfished or are not yielding their potential. To the contrary, I am particularly proud of the North Pacific Council and actions it has taken to conserve the resources. There are many examples of conservation in the Council's records, but two readily come to mind from my days as chairman.

The first is the Shelikof Strait pollock resource in the 1980s. That fishery, which was mainly a joint venture fishery at the time, produced a pollock catch of over 300,000 mt in 1984. For the next two to three years, the Council was put on notice by its biologists and scientific committees that the exploitable biomass was declining rapidly. We responded each year to the scientists' call for reduced harvests, and by the time I left the Council in 1988, the harvest had dropped to about 56,000 mt. No one could tell us exactly why the stocks cycled downward. The Gulf of Alaska pollock stocks are now on the upswing, and most recently could have produced a harvest of over 160,000 mt in 1993.

A second example of our conservative management is protection of the Bering Sea ecosystem and resource by maintaining a harvest cap of 2,000,000 mt for groundfish even though the acceptable biological catch was significantly higher. We put that cap in place in the early 1980s and have sustained it despite repeated requests, particularly from foreign and joint venture fishermen who were watching their catches erode with Americanization of the fisheries. We had good reasons to refuse to raise the cap: we were unsure of how devastating the foreign harvests of pollock outside the 200-mile zone would be on our own stocks, about the potential impacts of increased harvests on seabirds and marine mammals, about the additional impacts on bycatch species such as crab, salmon and halibut, and about adequacy of the biological data used to manage the stocks.

The Council has other examples of conservative management. We banned pollock roe-stripping and strongly supported international efforts to bring the international pollock fishery in the Bering Sea under control.

These conservation decisions must rest on good data. I think we have one of the best fisheries data monitoring systems in the country, and with support from all sectors of industry, we have fielded the most comprehensive observer program. The North Pacific Council now is the only council that is authorized to charge fees for the collection of observer data, though I understand that all councils are now asking for that same authority.

Full Utilization

Hand-in-hand with good conservation is wise management of the marine ecosystem that supports the abundant fish stocks. Over the past six or seven years, the Council has moved forward with controls on the unintended bycatch of traditional high value species such as crab, halibut, herring and salmon while fishing groundfish. There have been references in the press, national television,

and in many of the hearings that you have held about the waste and discard that occur in fisheries around the U.S. I think we can do better in our management. We need to encourage full utilization, while realizing that some species do not have markets and will need further development. I would encourage all councils to improve their management by working toward full utilization. I understand that the issue is a major one for the North Pacific Council this next year. Possibly increased emphasis can be placed on current Magnuson Act policy to encourage measures that avoid unnecessary waste of fish. I agree with the State of Alaska's proposal to the NOPS Committee that Congress give clear direction to NMFS and the Councils to make full utilization a national management objective.

Coastal Community Protection

Just as important as a healthy marine ecosystem, are healthy coastal communities.

The North Pacific Council heard an outcry from Alaska's coastal communities in 1989 when outside fishing factory ships rapidly harvested pollock in the Gulf of Alaska, closing down fishing unexpectedly early. This led to the inshore-offshore debate with which I am sure you are very familiar. It was one of the most divisive issues ever addressed by the Council. It was often miscast by the press as an 'Alaska versus the outside' issue, but in reality, the lines were not that clear. Shore-based and offshore sectors both have many of their corporate headquarters in Seattle and many of the employees come from out of state. So it really was more an issue of how to protect a less mobile shoreside processing sector from the race for fish by a highly mobile offshore fleet. Both sectors have considerable money at stake, both are under pressure to preserve their fishing opportunities under increasing capacity and limited supply of fish. I blame neither sector for the consequences of their actions. I do applaud the Council for confronting the issue through a definite allocation to each sector. By the way, neither sector got all that it wanted.

Here in Alaska, we need to provide opportunities for our coastal communities and their residents to participate in the fisheries that abound in their very back yard or in this case ocean.

Council Structure

As a result of the inshore-offshore issue and other contentious decisions, some have called for changes in the North Pacific Council's voting membership which presently consists of six Alaskans, three from the state of Washington, one from Oregon, plus a federal representative. I oppose any changes to that composition. The balance has worked well for seventeen years and our Council has accomplished more in conservation and management than any other council, a record of which we are proud.

During my chairmanship of the Council I can recall only two votes that would be considered Alaska block votes. One concerned releasing fish to Polish joint ventures which had a bad record of high salmon bycatches. The other concerned halibut allocations in the small subareas of the Bering Sea and Aleutians, and it was just to send the document out for public review. For the 29 Council meetings from January 1988 through June 1993, there were more than one thousand roll call votes. Of those, 19 were block votes, but only one was a final vote that had any allocational aspects.

I would be negligent if I did not recognize the contribution both the Advisory Panel and the SSC bring to the NPFMC. The SSC consists of university, private and government scientists. Its expertise includes oceanography, biology, economics and sociology. They address each issue that is on the council meeting agenda. The Advisory Panel likewise is advisory to the council and is representative of the diverse number of groups having an interest in the fisheries of the North Pacific. The NPFMC is an open council and it works. On the contrary in some councils the SSC does not meet at the same time the council does, so members of the two groups do not interact. The open system of reaching decisions with open meetings by the council and its advisory groups is critical to its success.

Conflict of Interest

And last, let me touch on the subject of conflict of interest. I think we need to face the fact that Congress established a conflict of interest in structuring the Magnuson Act in 1976. The Congress specifically wanted interested parties to have a say in, and accountability for, how the resources were managed and conserved. Congress wanted the users of the resource to have a stake in their own destinies. This is abundantly clear from the record of debate on the Act and once again in 1982 when the Congress reaffirmed that it wanted the councils to make the policy calls, not the Secretary of Commerce.

Nominations accepted for council membership are supposed to be well balanced and representative of the various interests in the fisheries.

If Governors respect this balance in their recommended appointments, the system will reflect the original intent of congress.

In summary, Mr. Chairman and members of the committee, I think the Act is working for the betterment of the resource; and I am particularly proud of the accomplishments of the North Pacific Council. Remember the process is slow, it is not perfect, but there are built in checks and balances. If we make any changes, lets address those that will encourage full utilization of our resources. Thank you for this opportunity to express my personal views on this important legislation.

STATEMENT OF MR. VINCENT CURRY

PRESIDENT, PACIFIC SEAFOOD
PROCESSORS ASSOCIATION

BEFORE THE HOUSE COMMITTEE ON
MERCHANT MARINE AND FISHERIES

ON THE REAUTHORIZATION OF THE MAGNUSON
FISHERY CONSERVATION AND MANAGEMENT ACT

AUGUST 12, 1993

Mr. Chairman and members of the Committee: My name is Vincent Curry. I am the President of the Pacific Seafood Processors Association (PSPA).

PSPA is a Seattle-based trade group that represents companies involved in the commercial processing of various seafood products throughout the Northwest and Alaska. The member firms that comprise the association handle a wide variety of species and product forms, including salmon (fresh, frozen, canned, smoked), crab, halibut, and numerous species of groundfish such as pollock and cod. The association is now in its 79th year, and some of the member companies have been in existence even longer than that.

The main function of the association is to provide a forum for communication and action by the members on issues of common concern. These issues, which are both regulatory and legislative, appear on the local, state, and federal levels. The association provides the membership with an opportunity to debate these issues, to form opinions, to craft action plans, and to deliver the association's message to the relevant decision makers.

We are pleased to once again have the opportunity to participate in a reauthorization of the Magnuson Act. PSPA was actively involved at the time of the Act's inception and we have continued to offer our thoughts each time it has been amended.

It is our view that the Act, now in its 17th year, has been a great success, particularly in the North Pacific. The management councils of the west coast and Alaska had an advantage upon implementation of the Magnuson Act as they were given management authority over stocks of marine life that were mostly in good health. Unfortunately, the same cannot be said for all regions. In some cases fisheries managers have been struggling since the late 1970's to develop plans balancing the need to rebuild stocks with the need to maintain the economic health of coastal communities. We are glad that we did not have to face this difficult task for most of the species under management in the

North Pacific, although the problem of endangered species of salmon promises to continue to be an extremely thorny issue.

The task of maintaining the health of the North Pacific's uniquely blessed resources has not been an easy job for the North Pacific Council. Maintaining healthy stocks in the face of ecological changes, growing fishing power, and uncertain scientific data is not easy. It seems that the members of both the North Pacific and Pacific Councils at appropriate times have viewed available biological data regarding stock biomass and recommended harvest levels with healthy skepticism. For example, the North Pacific Council has chosen to set annual allowable harvest levels for the North Pacific biomass well below the combined allowable catch levels which NMFS mathematical models have recommended. This decision is often cited as a management strategy which maintains the health of the overall North Pacific fisheries biomass. In the North Pacific the continuing effort to husband the resource pragmatically demonstrates one of the major advantages of having the resource users on the Councils. The people who participate in the fishery and whose livelihoods depend on it are often in a good position to interpret the scientific data through the lens of real world experience. Given that the foremost duty of the Councils is to protect the resource, and fisheries data is not 100% accurate, this conservatism has probably been wise.

One of the major challenges facing the Act and the members of Congress who must reauthorize it is to balance the very different needs and circumstances found throughout the coastal areas of the United States. The wide variety of fisheries resources between regions offer distinct management challenges adapted for the particular resource in question since the size of target stocks in some fisheries fluctuate wildly, while others are relative stable season to season. Some species are slow growing and slow to produce while others are prolific. The eclectic mix of those who conduct the fishing and processing also require local knowledge and specialized consideration. Some fisheries are prosecuted by small day boats with only a single crew member. Other fisheries

involve what is termed industrial fishing; operations that use hundreds of crew aboard vessels hundreds of feet long. In some areas the fishermen are all from the communities adjacent to the waters where the fishery is conducted. Other fisheries are carried out by people who are thousands of miles from home and have very little contact with the local populace.

The challenge faced by Congress is to craft a piece of federal legislation that is flexible enough to cover the amazing variety found throughout the fisheries of the United States. The original Act, and most of the amendments to date, have followed this course of providing flexibility to the managers. In many areas the management results have been laudable. In those areas where a Council has fallen short, we would suggest that the problem did not arise as an institutional problem with the Act itself.

We believe that the worst mistake Congress could make in amending the Act would be to move toward a regimented, centralized decision making authority based in Washington, D.C. The members of Congress who crafted the Act in the mid-1970's understood that the fishing industry of this nation is an extremely diverse and complicated structure. The only hope for effective management was to give primary authority to the citizens of the region who were knowledgeable about the fisheries and who had a stake in them. A careful balance was struck in the original Act between the Councils and their federal overseers in Washington, D.C. The system intentionally created a bias toward regional management as opposed to centralized authority in Washington, D.C. This was done on the assumption that the citizens of the region would ultimately make the best decisions, while federal oversight and implementation grounded in the national standards for decision making would help ensure balance. Although the ultimate oversight rests with the Secretary of Commerce, the Act and its implementing regulations make it clear that the lead role and the benefit of the doubt are to be given to the Councils.

It should also be remembered that there was a political component to the structure of the original Act. Members of Congress knew very well how politically explosive fishery issues can become. They also rightly foresaw that this situation was not likely to change over time. Congress fully understood that there would be a political component to the decisions being made by the Councils - just as there would if the decision making authority was completely vested in the Secretary. Congress intentionally chose to deal with the political aspects of fishery management by making the affected groups a part of the decision making process. The Magnuson Act procedures for developing fishery management plans are among the most open and democratic of any regulatory body in the federal bureaucracy.

I'm sure many people are wondering how the current system could possibly get any more contentious from a political point of view. However, simply imagine a management system that is run beginning to end from Washington, D.C. Under this scenario it is likely that virtually every discernible fishery group in the nation which could afford it, would be represented by several lobbyists in Washington, D.C. These lobbyists, along with members of Congress and their staffs, would be involved in the process of writing fishery management plans on an ongoing basis. It is also likely that we would see far more legislative amendments targeted at controlling this process or at undoing management plans once they were implemented. Fishermen without the means to hire lobbyists would lose much of their present ability to participate. From a political point of view, perhaps the worst part of a centralized decision making scenario is that after plan implementation, it is virtually certain fishermen governed by the plan would severely chastise their Congressional representatives for having "sold them out."

The current Council system and Commerce Department oversight have served both the nation and the industry well over the long term. We feel that making wholesale changes to the system at this time would be an error. Not surprisingly, the positions and Magnuson Act amendment proposals offered by various industry groups have changed

dramatically over time. To be blunt about it, the seafood industry has never been known for stability or consistency on many issues. For example, during the mid-1980's PSPA was actively lobbying for a statutory phase out of foreign fishing in the US. Exclusive Economic Zone. Under one of our proposals, the end of directed foreign fishing would not have occurred until last year, several years after it actually ceased. I suppose this falls into the category of "be careful what you wish for, it might come true." In any event a review of industry proposals offered since 1976 suggests both industry and national interests have been well served when Congress chose to ignore calls for radical change in the Act. Given the great diversity in this nation's fisheries, we need maximum flexibility in our regional management system and not a centralized federal bureaucracy.

Having covered our general philosophy, I will now turn to some of the specific proposals that have been offered for consideration during this year's reauthorization process.

A number of groups have suggested that the Act mandate the selection by Councils of "risk-averse" management strategies. The rationale is that since the data and underlying science supporting fisheries management is subject to interpretation, Councils should always err on the side of caution so as to avoid overfishing. We agree that fishery science, especially stock assessments, have limitations and that caution is warranted. In fact, this has long been the philosophy of the North Pacific Council in setting harvest quotas. Therefore, we support the general idea of requiring Councils to be more cautious depending on the quality of the available data. However, we also believe that as part of any such amendment there should also be a directive that the Councils require an accurate assessment of the amount of fish being harvested in each particular fishery. It may sound odd, but there are still some fisheries where the report of total catch is really a loose estimate. For instance, it is likely that harvest estimates for our nation's biggest fishery, the pollock fishery off Alaska, are being understated by the lack of accurate data from some sectors. While onshore processors are required to weigh every pound of fish

and report the catch by species, other participants use a system of product recovery rates (PRR) to estimate the harvest. PRRs are a reverse calculation where you estimate the catch based upon the amount of finished product retained after processing. There are numerous problems with this system. The actual product recovery rates themselves vary greatly during the year depending upon the condition of the resource, and from company to company depending upon the skill, care and machinery being utilized. To compound the problem, discarded catch is not accurately factored into the equation. This is important since large amounts of fish can be discarded both prior to and during processing operations.

In addition, even small errors in PRR calculations can result in a gross undercounting of harvest. For instance, the National Marine Fisheries Service used a PRR of 18% for surimi for the at-sea sector at one time. This was later revised to a more accurate 15%. To illustrate the effect of this 3% difference, let's say that the at-sea fleet reported total production of 150,000 tons of surimi. At a recovery rate of 18%, this would mean that the fleet had caught about 830,000 tons of fish. However, if the recovery rate were actually 15%, that would mean that the true harvest had been 1,000,000 tons. And if, as some calculate, the actual recovery rate for the at-sea fleet is closer to 12%, the total harvest would have been 1,250,000 tons of fish. It is our opinion that when we are dealing with one of the most valuable fisheries in the nation we should not risk using a system with such potentially huge margins of error. A uniform system requiring weighing of catch is resource responsible and should be required from both an allocative and management standpoint.

The National Marine Fisheries Service has recently decided to require accurate measurement (by weight or volume) of all fish caught by those participating in the Community Development Quota fisheries of Alaska. We must ask why it is important to have an accurate assessment for this 7½% of the fishery, but not for the other 92½%?

A second issue which Congress should confront is waste and bycatch. A number of commercial fisheries across the nation are under attack because of high discards of both target and non-target species. Bycatch and discard of non-target species is a very thorny issue but should be addressed if we are to stem the criticism our industry faces. Proposals were recently discussed by the North Pacific Council that would require processors to retain non-target species bycatch, process it, and donate it to charity. Although this plan has encountered resistance in some quarters, we feel that it, or something like it, needs to be explored. The owners of these resources, the American public, will not continue to tolerate high levels of waste of valuable fish stocks.

A related problem has to do with high discards of target species as well as inefficient processing. The public will not tolerate fisheries in which 10%, 20%, or more of the target species catch is thrown overboard or wasted due to inefficient processing methods and highgrading practices. We suggest that Congress at least look at giving the Councils some type of directive in this area. A step was taken in this direction several years ago when Congress statutorily outlawed the practice of roe stripping. The Magnuson Act does speak about maximizing food production, but we are concerned that this goal has been given short shrift in some instances in favor of management plans that seek to maximize short-term profitability. A requirement to ensure fuller utilization of commercially marketable species, such as those enforced in some state fisheries, would certainly help.

A third issue, somewhat related to the second, has to do with a recent change in the way the Commerce Department reviews the economic impacts of fishery management plans. Several years ago, the Commerce Department began requiring that allocative plans to be accompanied by a full, quantitative cost/benefit analysis. Not only was this new standard imposed without any change in the statute, but it has been given preeminent status during the federal review process. Under the system as it evolved during the past few years, allocative plans will only be approved if accompanied by a quantitative

cost/benefit analysis demonstrating that overall net national benefits from the plan are positive. This sounds fine until you realize that the government has been defining net national benefits as profits made by industry participants. Not only is this not a standard in the Magnuson Act, it is a practice which should not form the major basis for making decisions regarding a public resource.

Under the Magnuson Act, net national benefits are comprised of not only the economics of the fishery, but the social and biological impacts as well. The Commerce Department, however, has recently decided to review allocation decisions based primarily upon the predicted economic effects. This system has had one profound effect - it gives the Commerce Department great latitude in deciding whether or not a plan is acceptable. Since it is the Commerce Department economists who ultimately decide what is a proper cost/benefit analysis, it is now possible for the Commerce Department hierarchy to accept or reject Council plans based upon the views of a group of government economists whose views may or may not be made public. For instance, when the Pacific Fishery Management Council submitted its proposed Pacific whiting allocation, it was accompanied by a quantitative cost/benefit analysis that showed a net gain from the Council plan. In rejecting the plan, the Commerce Department said that it felt the data used in the Council's cost/benefit was suspect. The lesson from this was that even if a plan showed a net economic gain it may not be approved since the Commerce Department has the final say over what is an acceptable cost/benefit analysis.

We feel it would be wise for Congress to remind the agency, through amendment or report language, that the net economic effect of a management plan is only one of several standards of review by which management plans are to be judged.

Finally, we are very concerned about a new interpretation the Commerce Department is giving to the Act, under the guise of "partial approval" or "partial disapproval". Specifically, the Department appears to have decided that it can make wholesale changes in the recommendations of a fishery management council, implement that modified plan,

and do so under the rationale that these actions are a "partial approval" or a "partial disapproval" of the plan. The well-established historical notion that the Secretary shall not substitute his judgment for that of the Councils from a policy perspective is becoming lost under this practice. We recommend that Congress once again make it clear that the primary responsibility for formulating fishery management plans rests with the Councils. We fear that if this new "partial approval" strategy by the Commerce Department is allowed to stand it will effectively eliminate any substantive role for the Councils in crafting fishery management policies.

This concludes my prepared testimony. I appreciate having had the opportunity to appear before you today, and I would be pleased to answer any questions.

TESTIMONY OF
HENRY V.E. MITCHELL, ESQUIRE
ON BEHALF OF
THE BERING SEA FISHERMEN'S ASSOCIATION
BEFORE THE
HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES
REAUTHORIZATION OF THE MAGNUSON ACT
AUGUST 12, 1993

I am Henry Mitchell, the first Executive Director of the Bering Sea Fishermen's Association (BSFA), with headquarters located here in Anchorage, Alaska. For the record, I am completing my ninth year as a member of the North Pacific Management Council, and am currently serving on the Yukon Salmon Treaty talks, on US/USSR North Pacific and Bering Sea Fisheries Advisory Panel, and on the Board of the Alaska Fisheries Development Foundation (AFDF). I was also president of AFDF and a member of the Advisory Panel of the International North Pacific Fisheries Commission.

I am here today to give you my thoughts on sustainable fisheries development as related to this year's reauthorization of the Magnuson Act.

You are to be congratulated for holding a hearing here in Alaska in which we can focus on sustainable fishery development. This is one area with which my association and I are very familiar -- BSFA was established in 1980 to promote and protect sustainable fisheries before the State Board of Fisheries, the Council, the State Legislature and

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Congress, and in international fora. You know that BSFA brought the driftnet issue to you in early 1981 and to the United Nations shortly thereafter. We have actively worked at the Council to curtail salmon and herring bycatch in the EEZ fisheries off our coast. We have been active participants in the development of the State of Alaska Coastal Zone Management program to assure that fisheries habitat has the highest priority of protection. When that has not occurred, we have pursued matters such as offshore leasing in valuable fisheries habitat through all available fora. We have developed community based marketing and processing programs in coastal villages, and have recently worked with the Council to develop a program for coastal villages that will assure sustainable economies for the coastal region connected to the nation's most valuable EEZ fisheries. In most of these instances you have been there to listen and help.

What is BSFA's interest in all of this? It's really quite simple. BSFA is a commercial fishing organization representing some 1,500 Western Alaska residents who traditionally fish for salmon and herring from small boats. (Incidentally, these prime stocks that support the commercial and subsistence elements of our economy and our society have been dubbed, euphemistically, "bycatch".) Starting from the North with Kotzebue and Nome and running South through Bristol Bay, this area includes the fisheries of the Kuskokwim river, the Upper and Lower Yukon Delta, Norton Sound and Kotzebue -- all relatively small and conducted primarily by Alaska natives -- as well as the valuable fisheries of Bristol Bay.

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Incomes throughout much of this area are among the lowest in the nation. Most of the commercial fishermen of the area also conduct subsistence fisheries for salmon to provide their families with food for the year. The importance of this, of course, is that off of our entire coastline is the nation's richest fishery, a fishery that is a common property resource and a national asset. Surely the concept of developing sustainable fisheries goes hand in hand with meeting one of the primary goals of the Clinton Administration -- developing sustainable economies. If there were ever an area more insistent -- and dependent-upon sustainable fisheries development, it is my region.

That is indeed a long introduction, but I think it is important to remind the Congress of the reasons for BSFA's thirteen year commitment to developing sustainable fisheries and fostering the development of coastal fisheries economies. I have touched on many of the issues that have been every day issues for BSFA for these thirteen years -- habitat considerations and bycatch, for example. I would be glad to answer any questions you may have on my efforts for BSFA and during my tenure on the Council with regard to efforts to deal with overfishing and restoration of depleted stocks. I am sure you are aware that the North Pacific Council has been in the forefront of protecting the nation's EEZ fisheries through such efforts as maintaining an effective overall cap for allocations to protect the pollock and other groundfish stocks, and taking firm action to protect rockfish and rebuild Pacific Ocean Perch stocks. On the cap issue, the Council has stood up to the industry to

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say that we want a sustainable fishery for our children and grandchildren -- we do not want to risk that for more immediate and transitory gain. On the rockfish/POP issue, the Council has told the Secretary a second time that we are serious about not overfishing our stocks.

Today, I would like to delve a little deeper into the issue surrounding providing fishing quotas to various individuals and entities. Some questions need to be raised, and may need to be answered by Congress here and through the budget and appropriations processes.

Apparently, after nine years, I have been "retired" from the Council system this month. Perhaps as the senior appointed Council member in the nation, I can provide some insights and make some comments that others may feel they cannot do. I am reminded of that famous "Point/Counterpoint" segment on national news, and do not want you to think that I came today solely to debate advocates of the North Pacific Council Individual Fishing Quota (IFQ) program for sablefish and halibut, as well as the notion some folks have through the Council's Comprehensive Rationalization process to move through the fisheries with IFQ's. After all, the record reflects that I voted for the Council's IFQ plan, at the end. But there are a number of items that you need to think about before we so quickly move through the fisheries.

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I will begin with the concept that the nation's fisheries are just that -- a common property resource which we are currently using for that nation's economic benefit and to which we have stewardship responsibilities, as well as our duty to comply with the nation's laws. Opponents of IFQ's used this as an argument against "giving" the resource in perpetuity with rights of transfer to a few thousand boat owners. They raised constitutional and policy arguments. We responded by providing that the government can "recall" these shares; however, I am not sanguine about the prospect of the government attempting to take these shares back. I believe there is some international experience in which great sums of public money went into buying back fisheries shares.

Surely, when dealing with the public's resource, Congress may wish to look into "privatization" and may feel the need to provide "positive" sanctions if it likes what it sees.

It is clear that something must be done in Olympic style fisheries where there is too much available effort for the resource and where there are substantial safety considerations. The IFQ program is to be market-driven, by design. Allegedly, a fisherman can fish his IFQ at any time, and this will contribute to a more sane and safe fishery. However, our nation's limited experience may be telling us, at least in the case of surf clams and the East Coast (one of our two extant IFQ programs) that in a market driven system, you may still have safety concerns. The concept of fishing only in good weather and with fewer fishermen around you may not prove to be reality in the face of market dictates. As well, I do not buy off on the concept that all other traditional fishing management practices have failed in

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meeting either the safety concerns or the management considerations. Perhaps, when there is a certain objective in mind -- privatization -- we do not really become creative about employing other means of addressing management, safety and the like.

There is also the issue of eligibility for shares. Frankly, I would be surprised to see much of a "crew" share available under the current sablefish and halibut plan. In reality, that will mean that skippers and crew will be forever frozen out from ownership of shares, even if they have dedicated their lives and efforts to their boat owners and to development of the fisheries, who will most definitely have shares. I think Congress needs to look at the issue of how many people have been responsible for developing the nation's fisheries for the nation's economic and social benefit, and consider whether those contributions justify a "piece of the pie". Of course, this includes the communities themselves. As you are altogether aware, substantial numbers of individuals, corporations and yes, communities -- have made "investments" in the fisheries to assure they would be fully developed and "Americanized". I am merely saying that Congress may not want to miss this opportunity for equity and fairness to reward a wide range of persons and entities for their contributions. Again, this would probably not be necessary if we were not dealing with a common property resource.

Any IFQ plan will need to be implemented and will have management cost associated with it thereafter. Frankly, I believe the public would not tolerate a "privatization" of the resource with a commensurate reduction in management for protection

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of the resource. There are complex requirements for monitoring catch, delivery and accounting, and there will be substantial costs of enforcement. There will be some "double costs" during the period of transition. Will this be done with federal financing alone, or will fishermen be called upon to pay their share of the costs through administrative/management fees? If so, does that not need to be sanctioned by Congress? If not, given the current budget/deficit picture, will Congress require fishermen to pay for budget/deficit picture, will Congress require fishermen to pay for IFQ initially, through some form of auction or payment schedule or, upon transfer, some form of "excess profit" approach? In any case, there seems to be some sense of the notion that IFQ's should not move through the fisheries quite so quickly until we have worked any "bugs" out of the systems. In other words, should we use the sablefish and halibut fisheries as a model for developing and implementing (and funding) IFQ's in the future? I believe Congress has employed the concept of demonstrative projects a time or two before.

Let me leave you on a positive note. This will not be a pitch for the newly approved Community Development Quota program (CDQ) associated with halibut and sablefish, or for the extant CDQ program for pollock. As you know, Senator Stevens proposed this to Congress some time ago to assure that coastal communities would obtain a small percentage of the pollock quota to use to develop sustainable economies throughout the Bering Sea region. This is a plan that has been lauded by many in the Clinton Administration, as well. Rather, I want to praise the Council for acknowledging an economic, social and political

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reality: We cannot pass up an opportunity to provide regional, as well as individual, economic benefit if we are to privatize the common property resource. While we are doing the "ultimate allocation" under the Magnuson Act, we cannot overlook the net national economic benefit of factoring in the coastal communities, which have played such a large role in our nation's fisheries development. I do not need to talk to you about the rather sever social costs of not including coastal communities.

I appreciate this opportunity to provide you with a few thoughts on sustainable fisheries. BSFA and I hope to continue to enjoy the good working relationship we have shared with this committee as you have heard us and responded to us on the whole range of marine mammals, Magnuson, Driftnet, fishery promotion and development, and coastal Zone management issues. I can come to you from the poorest and most remote region of our country to tell you that the system -- Congress and the Council -- by and large works well.

Thank you for listening and for acting on what you have heard over the years with regard to Western Alaska.

ALASKA MARINE CONSERVATION COUNCIL

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**STATEMENT OF PAUL SEATON
SPOKESPERSON
ALASKA MARINE CONSERVATION COUNCIL**

**On the Reauthorization of the
Magnuson Fishery Conservation and Management Act**

**Before the
House Committee on Merchant Marine and Fisheries**

**August 12, 1993
Anchorage, Alaska**

The Alaska Marine Conservation Council is a community based organization of fishermen and women, scientists, coastal residents, subsistence users and others throughout Alaska whose way of life and, often, livelihoods depend on healthy marine ecosystems.

August 11th Version
(Corrections Included)

People throughout Alaska working to protect the health and diversity of our marine ecosystem
A program of the Alaska Conservation Foundation

INTRODUCTION

The Alaska Marine Conservation Council is a broad-based community organization comprised of Alaskans, many of whom live and work in small remote communities along the Alaska coast.

Our members come from diverse cultural and economic backgrounds and many of us depend on marine resources for sustenance, culture and livelihoods. From Ketchikan in Southeast Alaska to Unalaska in the Aleutian Islands to Tununak in the Bering Sea, our members are, or have been, gillnetters, seiners, crabbers, trollers, long-liners, trawlers, jiggers and other commercial fishers and fish workers.

Some of us come from Native communities where we still subsist on marine resources as our ancestors did before us. When marine ecosystems are at risk, not only are our livelihoods as fishermen threatened, so is our subsistence way of life. If declines in the health of marine ecosystems are allowed to continue our very future is at risk.

Our membership also includes conservationists and scientists who track the health and decline of marine resources. The Alaska Marine Conservation Council is a diverse group. Although our personal interests in marine resources are very different, we share a dependence on, and commitment to, healthy marine ecosystems.

As coastal residents, we have seen alarming regional declines in Steller sea lions, harbor seals, fur seals, certain bird species including murre and kittiwakes, herring, king crab, dungeness, shrimp and rockfish. These declines concern us not only because of the adverse impact they may have on many of our livelihoods, but as indicator species they warn us of distressing changes.

Although we do not fully understand the complex interactions which occur in the oceans, we must expand our vision to include food chain interactions as well as human harvest when exploiting marine resources. We must be conservative and we must proceed with caution.

We take this opportunity to let you know our priorities and recommendations regarding needed changes to the Magnuson Fishery Conservation and Management Act (Magnuson Act). Although generated from Alaskan fishing and conservation experiences, we believe they can be beneficially applied to all areas of the United States EEZ.

SUMMARY

Our specific recommendations are outlined in full on page eleven. To summarize however we propose you amend the Magnuson Fishery Conservation Act to:

- 1 Clearly establish conservation as the top priority;
- 2) Mandate clean fishing;
- 3) Institute a precautionary multi-species ecosystem approach to management and research;
- 4) Make fisheries and marine habitat protection a priority.

MANDATE CLEAN FISHING

A guiding principle of the Alaska Marine Conservation Council is that our living marine resources have intrinsic value in and of themselves within the ecosystem. Among the most flagrant problems of abuse associated with commercial fisheries in the North Pacific and Bering Sea is bycatch and economic discards (wrong size or color, quality, etc.). In 1992 alone over 507 million pounds of groundfish were thrown back over the side according to a State of Alaska report.¹ This unnecessary and inappropriate waste and disregard of marine life is a public disgrace. It points to the need to ensure the Magnuson Act makes conservation the number one priority in fishery management and successfully promotes clean fishing.

Lessons Learned - Alaska's Future

The continuing practice of targeting spawning aggregations of pollock and cod, compounds waste problems and in some areas of the world has been blamed for the collapse of the fishery. The cod fishery on the Grand Banks of the North Atlantic is often cited as an example.

In human terms, the consequence of allowing wasteful, destructive fishing practices to continue is vividly portrayed in Newfoundland and Nova Scotia, where entire communities have been placed on welfare rolls and relocation programs are being examined. All this due to poor fishery practices and gear types, resulting in 30,000 men and women losing their livelihoods in just three years.

In ecological terms the northern districts of that area are considered marine

¹ Alaska Department of Fish and Game, Commissioner Carl Rosier's Testimony before the House Merchant Marine and Fisheries Committee, June 1993.

deserts unlikely to recover due to intense bottom dragging and destruction of fishery habitat. Alaska and the United States cannot afford to make these same mistakes, nonetheless, we have and continue to do so.

In the Bering Sea/Aleutian Islands, a moratorium is in place on the Aleutian Basin Pollock Stock in the Bering Sea due to its collapse, which was caused by rampant overfishing on the high seas as well as within the U.S. EEZ, including federally sanctioned fisheries on spawning pollock stocks.

In the Alaska EEZ destructive and disruptive fishing practices continue on other stocks and hard on bottom trawling is permitted on spawning cod stocks, yellowfin sole, rock sole and a roe fishery continues on pollock stocks assumed dissociated from the Aleutian Basin Stock.

Surely history tells us how imprudent these practices are and guides us to precautionary approaches mandating sever restriction or perhaps banning of these and similarly destructive and disruptive practices? Does it not also indicate the necessity for ecosystem management? Don't we need to recognize the importance of selective gear use and the need to account for the destruction of associated and dependent species, their habitats and ecosystems if we are to realize the longterm benefits from these common resources?

Commitments of the United States to Other Countries to Reduce Bycatch and Waste: Support for Clean fishing by Citizen Organizations.

The government of the United States has committed itself within the international community to the goal of minimizing bycatch waste. Specifically, the President of the United States signed, on June 14, 1992, the United Nations Conference on Environment and Development (UNCED) Agenda 21, which included the following commitment:

"Promote the development and use of selective gear and practices that minimize waste of catch of target species and minimizes bycatch of non-target species." Chapter 17 Program Area D, Sec. 79(d).

This same principle was previously affirmed at the International Conference on Responsible Fishing at Cancun, Mexico in May, 1992.

On June 1, 1993 the United Nations released the U.S. position statement on Straddling and Highly Migratory Fish Stocks which states:

"Regional organizations or bodies should promote environmentally safe technologies, including minimizing pollution, bycatch, and other forms of waste, as part of any conservation programme for the area." General

Assembly document A/CONF.164/L3, Item 9.

Thus both Republican and Democratic Presidents and Congress have pledged the United States to reducing bycatch. **Unfortunately these international commitments have not been implemented at the Council level because they are not yet written into United States law.** It is therefore imperative that these same principles to promote "clean fishing" be incorporated as legally binding and enforceable provisions in the current reauthorization of the Magnuson Act.

The State of Alaska in its testimony before this Subcommittee in June stated:

"...Congress can provide the leadership to address this problem by strengthening the conservation provisions in the Act, and providing a priority for the use of "cleanest" gear and fishing practices which are available for harvesting a particular fishery resource."

The recent international Pacific Northwest Roundtable on Straddling and Highly Migratory Fish Stocks held in Vancouver, British Columbia stated a non-negotiable principle of fishing as follows:

"No fishing technique shall be allowed where more selective techniques protecting weak or threatened target or non-target species exists."

The Marine Fish Conservation Network testimony to the Senate Committee on Commerce, Science and Transportation recommendations included:

"Explicitly define bycatch and establish a national policy to minimize its negative impacts on fish populations and the marine ecosystem by reducing bycatch and economic discards in all commercial fisheries to insignificant levels approaching zero; Require all fishery management plans to establish a program for reducing bycatch of all gear within the plan's jurisdiction..."

Alaska Marine Conservation Council Proposal to Implement Clean Fishing

Although there is consensus both within and outside governments that bycatch is a major problem, little has been done to minimize it because proposed incentives and disincentives are complex, expensive, difficult to enforce, or disruptive to the fisheries. We recognize that in these times of tight budgets and attempts to reduce bureaucracy, mechanisms must be used that are simple, cost effective, easily enforceable, as unobtrusive as possible to current fishing operations. They must also allow for individual choices and responsibility.

History shows us that the U.S. fishing industry, is highly inventive and flexible when there is an economic incentive or advantage to be exploited. Therefore the way to promote the development and use of selective gear is simply to give priority of harvest to selective gears and practices. Thus fishing operations would not be forced to change, but the economic incentive of priority harvest would lead to rapid, voluntary change to cleaner fishing now and into the future.

This is not a new idea and in fact was the most successful technique ever used under the Magnuson Act. Priority harvest was the centerpiece of Magnuson Act Americanization of the EEZ Alaskan waters. Each year it was determined how much the American segment of the industry could utilized through the fishing year, and that portion of the Total Allowable Catch (TAC) was reserved for the American fishers to harvest. The remainder of the TAC was allocated to the other segments of the industry. The rapidity with which the fishing industry responded and expanded its TAC requirements astounded all observers.

Somehow this most successful mechanism got lost in the shuffle and pressures of ongoing fishery management. Today utilizing this technique to promote clean fishing would require classification of fishing practices and gears into groups by relative selectivity. Most of that data is already available from federal on-board observer data.

Determining the amount of TAC those selective segments could utilize projected throughout the coming year would be a straightforward Council process. Reservation of the priority allocation of the TAC would reduce the level available for less selective gears. Seasons for harvest would still be set using the same current Council process. As switching to selective gears and practices continues, the proportion available for nonselective gears will decrease and be eliminated. The goal of reducing bycatch and economic discard wastage can be accomplished by allowing individuals and industry make these economic choices. There will be a real, ongoing incentive for industry to develop and use further selective practices.

Other management tools can also be used to help expedite this procedure and alleviate ongoing problems. These tools can and should include vessel incentive programs (VIPs) for vessels carrying 100% observer coverage, variable seasons, closed fishing areas and overall increased observer coverage. (Conflicts of interests within observer programs must be addressed to prevent trans-corporate or ownership conflicts.)

In summary, in order for the United States to meet our international commitment to promote "clean fishing" we urge you amend the act to:

1. Insert the following specific language from Agenda 21 in both the body and purpose of the Act - "promote the development and use of selective gear and

practices that minimize the waste of catch of target species and minimizes bycatch of non-target species."

2. Include the following language in National Standard Five: "Conservation and management measures shall assign harvest priority to use of selective gear and practices that minimize waste of catch of target species, minimizes bycatch of non-target species and minimizes disruption to habitat."

3. Establish conservation as the top priority of the Act, not solely efficiency or optimum yield and set a goal of eliminating economic discards in the Alaska EEZ.

Finally, some councils including our own are proceeding to limited access fisheries. We recommend any limited access systems which do not effectively promote the reduction of bycatch and the elimination of economic discards be curtailed or modified in order to fulfill our national goal of promoting clean fisheries.

INSTITUTE A MULTI-SPECIES ECOSYSTEM ORIENTED APPROACH TO FISHERY MANAGEMENT AND RESEARCH

The Magnuson Act mandates that conservation and management measures prevent overfishing. Unfortunately the implementation of this mandate may not be effective in protecting the overall health of our marine resources. This is especially true in Alaska where we are experiencing alarming declines in regional populations of marine mammals and birds that depend on commercially important fish for food.

For instance, Steller sea lions have declined 50-80% in the last 15-20 years² and are now classified as threatened under the Endangered Species Act. There has been a 50% decline of the red-legged kittiwake population in the Pribilof Islands and the production of northern fur seal pups has declined 30% in the last ten years.³ Harbor seals in the Bering Sea may be only 15% of their 1970's population and black-legged kittiwakes and common and thick-billed murre are also declining.⁴ In Prince William Sound and outlying areas, populations of black-legged kittiwakes, pigeon

² National Academy of Sciences - National Research Council, Commission on Geosciences, Environment, and Resources. Polar Research Board. Proposal No. 92-CGER-237 Scientific and Technical Understanding of the Bering Sea Ecosystem, July 1992 quoting Lowery et al, 1991.

³ Ibid.

⁴ U.S. Fish and Wildlife Service, Alaska Seabird Management Plan, Region 7, 1991.

guillemots, marbled murrelets, and arctic terns have declined 60-80% since 1972.⁵

We recognize and commend the North Pacific Council and its staff for the conservation measures it has taken over the years. Unfortunately even their own Groundfish planning team admits that the effect of annually harvesting large amounts of fish (targeted and untargeted) on ecosystem productivity is not understood.⁶ Nor do we know the biological consequences of fishing a group of species at or near Maximum Sustained Yield values on community structure and predator - prey relationships.⁷ As Alaskans whose way of life and livelihoods depend on marine resources, a precautionary approach is warranted. We can not afford to have any additional species become listed as threatened or endangered.

On July 16, 1993 the U.S. submitted its Principles paper to the United Nations that restated the need for reducing bycatch and further emphasized the need for multi-species, ecosystem oriented management, recognizing the necessity for precautionary approaches that "take into account uncertainties concerning the size and productivity of the resources and it inter-relationships with other resources."

For these reasons, we believe the Magnuson Act should be amended specifically -- and forcefully -- to develop a precautionary approach to fisheries management that considers the entire ecosystem of a region or species: The Alaska Marine Conservation Council recommends the Act be amended to:

- 1) Clearly establish conservation of marine resources, including habitat, as the top priority in the Purpose and National Standards of the Act;
- 2) Define and prohibit overfishing of target, non-target, associated and dependent species including non-fish species such as sea cucumbers, kelps, seaweeds and grasses, etc.;
- 3) Include a common and appropriate definition of long-term Maximum Sustained Yield that considers the entire ecosystem of a region or species and includes a margin of safety as a buffer against overfishing or impacts on other species;
- 4) Require that conservation and management measures and the "fishery models" on which they are based take into account predator - prey interactions and include

⁵ Ibid.

⁶ Alaska Groundfish Planning Team, North Pacific Fishery Management Council, Stock Assessment and Fishery Evaluation Report For the 1993 Gulf of Alaska Groundfish Fishery, November 1992.

⁷ Ibid.

alternatives that provide for moratoria;

- 5) Allow councils to act quickly to establish minimum size limits and other necessary conservation measures in a particular fishery even if no fishery management plan exists or when scientific evidence is unavailable.
- 6) Mandate that research focus on multispecies and ecosystem interactions and provide the councils with the tools to assess industry fees to help pay for it.

The complex web of life which exists beneath the surface of the oceans remains, in large part, a mystery. In what way is the harvest of over a billion pounds of pollock in the Bering Sea affecting marine mammals, birds and other species? What is the impact of dragging nets across the sea floor? Are we clearcutting the habitat of many species.

We must aggressively step up our efforts at understanding the marine ecosystem. Focussing and funding research to accomplish this would be a solid investment in the future of many of our coastal communities.

MARINE HABITAT PROTECTION MUST BECOME A PRIORITY

Alaska's marine environment continues to suffer from irresponsible development practices and both local and regional pollution. Oil and gas development alone contributes significantly to this problem. Yet in Alaska our waters are denied even the minimal protection from oil and gas related pollution accorded the rest of the nation. Where oil and gas facilities in the Lower 48 are generally held to a zero discharge requirement under the Clean Water Act, they are free to dump their pollutants directly into Alaskan waters.

Habitat degradation is not limited outside the fishing industry. Closer regard needs to be given to fishing practices that destroy ecologically sensitive and critical marine habitats and their associated ecosystems. By disrupting sea floor habitat, sea mounts, and coral communities and disturbing spawning, nursery and forage areas, we are compounding the difficulties of establishing meaningful stock rebuilding programs or for providing plausible stock assessments.

The Magnuson Act provides no meaningful basis for controlling such detrimental and short-sighted practices. Fishery Management efforts will fail without habitat protection. Among other needs, the Act should reflect the United State's commitment to: "Preserve rare or fragile ecosystems as well as habitats and other ecologically sensitive areas." Agenda 21, Chapter 17, Program Area D, Sec.79 (f) 1992. The Act should be amended to:

- 1) Include habitat conservation in the National Standards on which conservation and management measures are based;
- 2) Require the Council to describe essential habitat in fishery management plans and mandate the consideration of effects on habitat and other dependent marine life in those plans.
- 3) Implement a strong national habitat protection program to preserve the productive capacity of fish habitats. Give the National Marine Fisheries Service the authority to modify, restrict or deny development projects which will adversely impact important fish habitats.

CONCLUSION

Good management and a better understanding of the complex nature of our marine environment will help sustain our coastal communities over time. If managed carefully, fisheries offers one of the best hopes for sustaining both our subsistence and cash economies. While conserving and protecting commercial fish populations is crucial for our economic well being, the overall health of our marine resources and habitat is equally important. For many of us its why we chose to live here, for others of us its a matter of cultural survival.

It is important now, more than ever, to make conservation the number one priority in the Magnuson Fishery and Management Act. Our summary recommendations follow.

ALASKA MARINE CONSERVATION COUNCIL RECOMMENDATIONS

MANDATE CLEAN FISHING

- Insert the following specific language from Agenda 21 in both the body and purpose of the Act - "promote the development and use of selective gear and practices that minimize the waste of catch of target species and minimizes bycatch of non-target species."
- Include the following language in National Standard Five: "Conservation and management measures shall assign harvest priority to use of selective gear and practices that minimize waste of catch of target species, minimizes bycatch of non-target species and minimizes disruption to habitat."
- Clearly establish conservation of marine resources, including habitat, not solely efficiency or optimum yield as the primary purpose of the Act. Include in the purpose and national standards sections. (Applies to our recommendations regarding Multi-species considerations and Marine Habitat as well.)
- Set a goal of eliminating economic discards in the Alaska EEZ.
- Refrain from implementing limited access programs that do not effectively result in the reduction of bycatch and economic discards.

INSTITUTE A PRECAUTIONARY, MULTI-SPECIES APPROACH TO FISHERIES MANAGEMENT AND RESEARCH

- Require that conservation and management measures and the "fishery models" on which they are based take into account predator - prey interactions and include alternatives that provide for moratoria.
- Define and prohibit overfishing of target, nontarget, associated and dependent species including non-fish species such as sea cucumbers, kelps, seaweeds and grasses, etc.
- Include a common and appropriate definition of long term Maximum Sustained Yield that considers the entire ecosystem of a region or species and includes a margin of safety as a buffer against overfishing and impacts on other species.
- Allow councils to act quickly to establish minimum size limits and other necessary conservation measures in a particular fishery even if no fishery management plan exists or when scientific evidence is unavailable.
- Mandate that research focus on multispecies and ecosystem interactions and provide the councils with the tools to assess industry fees to help pay for it.

MAKE HABITAT CONSERVATION A PRIORITY

- Require the Council to describe essential habitat in fishery management plans and mandate the consideration of the effects on habitat to other dependent marine life in those plans (not just targeted fish stocks).
- Implement a strong national habitat protection program to preserve the productive capacity of fish habitats. Give the National Marine Fisheries Service the authority to modify, restrict or deny development projects which will adversely impact important fish habitats.

**ALASKA LONGLINE FISHERMAN'S ASSOCIATION
BOX 1229
SITKA, ALASKA 99835**

Dennis Hicks, President

August 1, 1993

United States House of Representatives
Committee on Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, D.C. 20515-6230

Dear Committee Members:

Attached is my statement on the issue of reauthorization of the Magnuson Fishery Conservation and Management Act.

Our members feel that this is one of the most urgent matters before you at this time. It is vital that measures be taken to allow us to get on with the responsible harvest of fish and put an end to the terrible wastage of product, habitat and human life.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Hicks".

Dennis Hicks

Enclosure

**STATEMENT OF DENNIS HICKS, PRESIDENT
ALASKA LONGLINE FISHERMAN'S ASSOCIATION**

BEFORE

**UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON MERCHANT MARINE AND FISHERIES**

ABOUT

**REAUTHORIZATION OF MAGNUSON FISHERY CONSERVATION
AND MANAGEMENT ACT**

In considering the reauthorization of the Magnuson Act, and in fisheries management in general, you need to

1. Strive to minimize bycatch and wastage

The big crime in fisheries today is the terrible wastage of product. This problem manifests itself in different ways: In the wasted bycatch and deadloss in the ridiculous halibut and sablefish derbies and also in the millions of pounds of fish thrown away in the pollock fishery. When we get a handle on these problems we'll all be a long way toward sensible fisheries management.

2. Respect and protect marine habitat

We need to start going further in efforts to protect the fragile marine environment. One way to do this is to restrict areas where bottom trawling is done. For instance, trawling should be banned along the narrow band of continental shelf off Southeast Alaska as every fisherman and every town official in Southeast Alaska wants.

3. Make conservation the No. 1 priority.

We are looking at declining numbers in most of Alaska's fish populations. This is due to the tremendous wastage and bycatch problems, due to economically-generated management decisions, and due to overfishing in general. When management decisions come up we need to put the resource first. One way to do this is to quickly implement the IFQ program in halibut and sablefish. This program and other innovative plans will help slow down the mad race for fish, saving fish and fisherman at the same time.

The Magnuson Act needs to be amended to be able to assess fishermen to pay for

the startup costs and operating budget of new management systems, specifically we need to pay for IFQs. But this question will come up in other fisheries and if we delay an extra year or two on the implementation of new management plans as the source of the funds is endlessly debated, we're defeating our purpose.

The question of conflict of interest and whether fishermen and others representing the industry should be on the councils has come up a lot lately. The conflict will come if these people aren't allowed to serve. If it gets to the point where the councils are solely made up of people not in the business of fishing, they will get more and more remote and out of touch with the pulse of the industry. We need people on the councils who can assess, from personal experience, what a decision will mean to the habitat, the ecological balance, and on business interests.

On June 30, Michael Sutton, Acting Vice President of the World Wildlife Fund delivered a statement to the Senate Committee on Commerce, science and Transportation. He was speaking on behalf of the Marine Fish Conservation Network. The Alaska Longline Fisherman's Association, the group that I represent, certainly agrees with his four main points:

1. Eliminate overfishing and rebuild depleted populations.
2. Minimize bycatch problems.
3. Protect marine habitats.
4. Cautiously adopt new innovative management strategies.

But to consider these objectives and then conclude that the IFQ plan should be postponed is hard to accept. In fact, coming from a network of groups interested in conservation, it is unbelievable.

Under the present system, we all go out at the same time and set four or five times as much gear as you'd normally set. Then we start hauling, irrespective of weather, to get the black cod, shaking off the halibut, the rockfish, the gray cod. We set our gear across each other's gear as more and more people want to fish the narrow edge. We lose our gear and foul the bottom with it.

This is a nightmare from any conservation viewpoint and from any environmental or ecological viewpoint.

We have an innovative new management strategy. It's called individual fishing quotas.

Alaska Longline Fisherman's Association

Box 1229
Sitka, Alaska 99835

Specific Recommendations on

Reauthorization of the
Magnuson Fishery Conservation & Management Act

Presented by Dennis Hicks, President, Anchorage, August 12, 1993

1. Congress should direct councils to establish explicit rebuilding goals and schedules for depleted stocks.
2. Change or clarify wording in section 301, National Standard 1, to establish conservation of marine fish and their ecosystems as the Act's primary intent.
3. The phrase "promotes efficiency" in National Standard 5 should be amended to "promotes efficiency and social benefits without sacrificing ecosystem health and long-term productivity."
4. We also suggest that a national standard be added to Section 301 directing regional councils to reduce waste and by-catch by promoting selective fishing gear and sustainable fishing strategies.
5. We suggest that councils be directed to identify critical habitat in fishery management plans.
6. We urge Congress to recognize the dependence of coastal communities on fishing and clarify in the Magnuson Act the necessity of providing shore-based fleets with access to local resources.
7. Amend the Magnuson Act to allow fishermen to be assessed for the cost of new programs, like IFQs. We suggest that fees be dedicated wholly to the intended and regionally approved purpose.

**TESTIMONY OF JOHN JEMEWOUK
CHAIRMAN
WESTERN ALASKA FISHERIES DEVELOPMENT ASSOCIATION**

**BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON MERCHANT MARINE AND FISHERIES
SUBCOMMITTEE ON FISHERIES MANAGEMENT
H.R. 780**

**AUGUST 12, 1993
ANCHORAGE, ALASKA**

Introduction

Mr. Chairman and members of the committee, thank you very much for your special effort to visit Alaska to learn first hand the perspective of the people of our state on the Magnuson Fishery Conservation and Management Act. The act is vitally important to the people of coastal Alaska and we greatly appreciate the opportunity you have provided us to speak to you in person about this subject.

My name is John Jemewouk. I am the chairman of the Western Alaska Fisheries Development Association. WAFDA was formed for the purpose of promoting economic development in western Alaska through the Community Development Quota program. The organization was founded by four of the six CDQ corporations: The Bristol Bay Economic Development Corporation, the Coastal Villages Fishing Cooperative, the Yukon Delta Fisheries Development Association, and the Norton Sound Economic Development Corporation. I also serve as the president and executive director of the Norton Sound Economic Development Corporation. For the record, I have provided the committee with copies of a brochure that describes the plans and activities of all six CDQ corporations.

CDQ Program History and Background

The CDQ program was approved by the Secretary of the U.S. Department of Commerce as a part of the North Pacific inshore-offshore fishery allocation management plan. It gave the residents of the Native villages along the Bering Sea coast the opportunity to harvest 7.5 percent of the biologically available pollock in the Bering Sea in partnership with established seafood processing companies. This is a necessary transition in the process of moving from small scale shorebased fisheries to economic self-sufficiency. Through the program, we have created jobs for western Alaska residents and we have generated revenues that are being used to implement fisheries development projects throughout western Alaska.

The first CDQ fishery occurred in December, 1992. The 1993 CDQ allocation was harvested earlier this year. The CDQ corporations are now in the process of compiling the applications they will submit to the State of Alaska for the 1994-95 pollock quota allocations. Under the current management plan, the CDQ program will expire at the end of 1995 in anticipation of the approval of a comprehensive plan for allocating the fisheries resource in all North Pacific fisheries.

The CDQ region comprises the entire coastline of Alaska from the Aleutian Islands to Norton Sound. The CDQ program involves 56 communities with a population of over 21,000 people. The region is characterized by subsistence . . . where people hunt, fish and gather from the land to obtain the food and materials necessary for sustenance and survival . . . and by an economic dependence on the dollars generated from small scale commercial fisheries. Year round job opportunities are scarce to nonexistent, which often results in chronic unemployment, social problems, and poverty.

Ironically, the villages of western Alaska are situated in close proximity to the fisheries of the Bering Sea, one of the world's richest renewable resources. Until the creation of the CDQ program, western Alaska residents had no means of raising the capital necessary to participate in the deep water large vessel fisheries that harvest the Bering Sea resource.

As a lifelong resident of Norton Sound, I have noted the sense of hope that has swept through western Alaska as a result of the CDQ program. The program . . . which is closely monitored by the state and federal governments . . . stresses jobs, training and education. It provides economic opportunities that can supplement and enhance the lifestyles that people choose to lead in western Alaska.

We are extremely excited about this program. It has opened up new worlds of opportunity. The CDQ program provides access to fish, not money. The residents of western Alaska have the responsibility for turning this access into actual economic value. It is a competitive performance-based program. The allocations are based on the success of the outcome. Even though CDQs are having a tremendous positive impact on our region, they are off-budget in the federal appropriation process.

The Importance of Conservation

As new participants in Economic Enterprise Zone fisheries, we intend to make the conservation of the resource our highest priority. We have argued for conservation ever since we became involved in the fishery management process. This philosophy will not change even though our role has shifted from small boat fishermen standing on the outside to quota-holders participating in industrial-scale fishing operations.

For example, we fully support the presence of two observers on board CDQ pollock vessels and the weighing of all harvested tonnage in order to obtain the most accurate and comprehensive catch data. These practices add expense to the operations of a pioneer industry, but . . . in our view . . . they are reasonable requirements that are worth the extra effort.

For these reasons, WAFDA is pleased that conservation has emerged as one of the leading issues in this year's round of reauthorization hearings. We encourage Congress to examine measures that would give the fishery management councils more tools to deal with by-catch, to protect ocean habitat, to collect better data, and to allow the full consideration of management factors in addition to economic efficiency.

One reason we are so excited about the CDQ program is the way the CDQ corporations have used CDQ revenues to address long-standing problems in their regions and lay the groundwork for future challenges. Western Alaska is bursting with activity as a result of CDQs. Summaries of the WAFDA membership's activities and plans clearly demonstrate the CDQ program's tremendous value.

Bristol Bay Economic Development Corporation

The Bristol Bay Economic Development Corporation is working on immediate, median and long-term job opportunities in the 14 CDQ communities. BBEDC is working with the University of Alaska, school districts, and local businesses on implementing a training program that can place many local residents into existing jobs in the region. BBEDC also is working with businesses to encourage them to take local people . . . once they have gone through training . . . to take people into their companies as interns or entry level workers.

BBEDC has developed a vocational training program which will focus on bringing people into the existing work force both in the region and in the state. BBEDC is looking at internships with local business associates and ask them to consider their people for new jobs. BBEDC believes an aggressive regional local hire program in conjunction with an effective training program can reap great benefits for Bristol Bay area residents.

BBEDC's corporate partner, Oceantrawl, Inc., hired thirty-eight Bristol Bay residents to work on its trawlers. The goal is sixty employees by the end of 1993. BBEDC is working closely with Oceantrawl to encourage upward mobility within the company, from jobs on the fish processing line up to bridge command. Additionally, BBEDC is working toward an internship program that would place Bristol Bay people in the Oceantrawl office in Seattle to gain office skills that would prepare them for entry level work in any office in the region or the state.

BBEDC also is working on a limited entry permit retention program. Bristol Bay has had a 15 year trend of losing salmon permits from the region. Bristol Bay fishermen owned 667 salmon drift permits and 652 salmon set net permits in 1975. By 1991, local ownership had dropped to 492 drift permits and 458 set net permits, a loss of 175 in the drift fishery and 194 in the set net fishery. While some of those permits still may be owned by Alaskans, they no longer contribute to the Bristol Bay local economy.

Additionally, many Bristol Bay limited entry permits are in jeopardy because of IRS problems. BBEDC is implementing an ambitious program that will (1) help stem the tide of permit auctions, (2) provide business and tax counseling services, and (3) create a permit brokerage presence in Bristol Bay. BBEDC will work with the processors and fishermen to develop a program that would set aside funds for tax purposes. Another idea BBEDC is exploring is to work with the state on a buy back program to regain permits that have migrated from Bristol Bay. The fishing industry is the main source of income for the people of the region.

BBEDC is working on a long-term investment plan through an investment fund with the goal of maximizing yield while protecting the principal in order to have reliable source of funding for community goals and objectives. BBEDC is investigating a variety of fishery-related businesses from long-lining to secondary processing.

Finally, BBEDC is focusing its attention on the development of a regional fisheries infrastructure plan to quantify existing processing capacity, infrastructure analysis, job opportunities, underutilized species study, and the research and development of new fisheries products.

Yukon Delta Fisheries Development Association

The Yukon Delta Fisheries Development Association is operating four vessels in the Norton Sound king crab fishery. Three of the vessels are owned by YDFDA and one is leased. Up until now, this fishery was under utilized by western Alaska residents.

WAFDA Magnuson Act testimony - page 6

Seventy-five Yukon Delta region residents have now completed the corporation's job training program. Twelve residents are working in the Norton Sound longline fishery. Twelve will be working during the Bering Sea pollock 'B' season on the factory trawler Golden Alaska, owned by YDFDA corporate partner Golden Alaska Seafood. Eight will be working on the factory trawler Highland Light, owned by Deep Sea, Inc.

Yukon Delta residents also used the YDFDA vessels to participate in the 1993 halibut, sablefish, and rock sole fisheries.

Additionally, YDFDA provided matching funds to the Emmonak Fisheries Co-op that . . . combined with funds from the Economic Development Administration and the Department of Housing and Urban Development . . . will be used to build a shorebased processing plant in Emmonak.

This winter, YDFDA . . . in cooperation with the Alaska Vocational Technical Education Center . . . will operate a longline fishery training program in Seward, Alaska.

Coastal Villages Fishing Cooperative

The Coastal Villages Fishing Cooperative has created new employment opportunities for Kuskokwim and Yukon Delta region residents. During 1992 and thus far in 1993, CVFC created sixty jobs at sea and another seventy jobs onshore. These two employment programs have generated hundreds of thousands of dollars in income to area residents.

Given the lack of competition and the traditionally low value of Kuskokwim River salmon, CVFC joined with corporate partner Golden Age Fisheries to establish a salmon processing operation in Bethel, servicing eight CVFC villages as well as ten other area communities. Providing competition in the region has resulted in salmon prices at least thirty percent higher than would have occurred without a second major buyer on the river.

CVFC and Golden Age created an internship program where CVFC residents are eligible to obtain advanced skills in seafood company operations. Four internships have been completed and another seven are scheduled for the remainder of the year.

CVFC and Golden Age are contributing a portion of their profits to a scholarship fund for CVFC residents to obtain higher education and vocational training. This program will benefit the individuals who will lead the company in the future. The first scholarships will be awarded in August.

CVFC and Golden Age have formed a partnership to own and operate the factory trawler Browns Point. This vessel was refurbished with state-of-the-art equipment which not only can efficiently harvest and process pollock, but also can produce value-added products such as pink salmon blocks. The product will not only benefit the CVFC region, but other areas of Alaska as well where pink salmon are harvested in abundance.

Norton Sound Economic Development Corporation

The Norton Sound Economic Development Corporation successfully managed fishing operations during the 1993 CDQ pollock 'B' season, harvesting over 1.3 million metric tons of pollock.

NSEDC purchased and distributed over \$250,000 worth of herring and salmon gear and related equipment to 118 fishermen. Fishermen will repay these loans over two years from the proceeds of increased fishing revenues. Thirty-three individuals obtained jobs hanging fishing gear and preparing brailer bags, 1,346.5 hours of work in an area with high unemployment.

In cooperation with corporate partner Glacier Fish Company, over 1,000 tons of herring were purchased from 105 local herring fishermen and over 740,000 pounds of all salmon species were purchased from 90 local salmon fishermen, opening up new markets for traditional species.

Twenty Bering Strait region residents recently went to work on onboard Glacier's factory trawlers, supplementing previously employed

workers. Ten residents recently completed training in entry level fisheries skills at the Alaska Vocational Technical Education Center.

NSEDC will provide funding for ice delivery systems, buying station facilities and revitalized fish processing plants in four communities. NSEDC finalized an agreement with the Alaska Department of Fish and Game for a salmon rehabilitation and enhancement program. A revolving loan program for local fishermen was established and put into operation.

The CDQ Program and the Magnuson Act

As you can see, the program has been phenomenally successful and has produced an impressive record in a short amount of time. Congress can play a key role in ensuring that this success continues.

The CDQ program operates under the authority granted to the fishery management councils by the Magnuson Act. The program has become so important that its provisions should now be spelled out in statute.

WAFDA would like to request this committee to give favorable consideration to an amendment that would make CDQs a permanent part of the Magnuson Act. When you have a tool that has proved its usefulness, you want to keep it on the nation's workbench.

Fisheries stocks are subject to natural fluctuations. The CDQ program cannot survive on pollock alone. In order to be sustained, the program will need access to a wide variety of Bering Sea commercial fisheries.

Congress can guarantee that the program will continue to provide benefits for generations to come.

NPFMC Membership

We have heard suggestions that Congress consider changing the voting membership of the North Pacific Fishery Management Council by adding or mandating specific seats. WAFDA strongly endorses the present makeup of

WAFDA Magnuson Act testimony - page 9 .

the North Pacific Council. Changing the membership will solve no problems and will only end up creating more.

The record indicates that out of hundreds of recorded votes, there have been fewer than a handful where the Alaskan members voted unanimously on any issue. And on most of those votes, the Alaskans also had the support of the National Marine Fisheries Service regional director.

The North Pacific Council is unique among all the fishery management councils in that it manages a resource that is harvested entirely off the shores of one state, Alaska. Overall, the council has been oriented toward conservation because a majority of its members have been concerned about the long-term sustained yield of the resource. WAFDA opposes any changes that might jeopardize this philosophy.

In the case of council membership, the adage clearly applies that if something is not broken, don't fix it.

Conclusion and Summary

WAFDA again wishes to emphasize the importance of conservation and the need for Congress to give the management councils the tools they need to protect the nation's resources.

Additionally, WAFDA urges the committee to look at the results of the Community Development Quotas and give serious consideration to making the program a statutory part of the Magnuson Act.

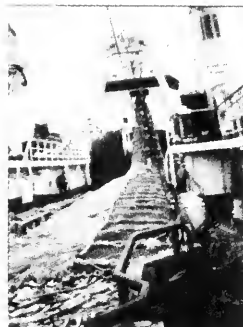
Again, I wish to thank the committee members for their presence in Alaska. We hope you have an enjoyable stay and that the information we have provided helped make the journey worthwhile.

The CDQ Program

New Economic Potential for Western Alaska

BERING SEA

PACIFIC OCEAN



INTRODUCTION

A Community Development Quota (CDQ) program was implemented in 1992 that thrust participating western Alaska communities into a unique partnership with the multimillion-dollar Bering Sea groundfish industry.

In contrast to their traditional subsistence and small boat commercial fisheries, western Alaska residents will now have opportunities to work on factory trawlers capable of fishing the Bering Sea year-round, in shoreside processing plants, and in related seafood industry operations. With CDQs, Bering Sea coastal communities are partners with established corporations in industrial-scale seafood production — delivering massive quantities of groundfish to consumers efficiently and at the lowest price — and will derive direct economic benefits (estimated at up to \$20 million annually) from a resource located just off their shores.



Photos: (above) A cod-end filled with 120 tons of CDQ pollock is hauled on board the F/T Pacific Glacier, owned by Glacier Seafoods, Ltd., and working in partnership with the Norton Sound Economic Development Corporation. (below) Commercial fishermen deliver skiff loads of chum salmon to a buying station along the Yukon River. Skiffs and gillnets are the traditional tools for western Alaska commercial fisheries.

The CDQ program has been carefully designed to avoid the mistakes of the past. As one CDQ corporation said in its quota application, "....there are far too many monuments to good intentions scattered throughout western Alaska already." To many, CDQs represent the most viable opportunity yet for sustained economic development in western Alaska.

BACKGROUND

The concept of Community Development Quotas emerged in the mid-1980s as the Bering Sea groundfish fisheries — long dominated by foreign nations — finally became profitable for the domestic fishing industry. Advocates for rural Alaska wondered if the guaranteed quota concept — based on the experiences in Greenland, New Zealand, Iceland and elsewhere — could be adapted for use in the state. If western Alaska rural communities could implement such a program, they could help diminish chronic unemployment and social problems, and share directly in the harvest of a multimillion-dollar fisheries resource.

During the 1989 Congressional hearings on the reauthorization of the Magnuson Fishery Conservation and Management Act, western Alaskans proposed an amendment expressly allowing the creation of CDQs. The idea, however, was dropped during Congressional negotiations.

In the meantime, the Alaska-based seafood industry launched a campaign to convince the North Pacific Fishery Management Council to split groundfish allocations in the Gulf of Alaska and Bering Sea between shorebased seafood processors and offshore factory trawlers. At its April, 1991 meeting, the council adopted a specific CDQ alternative for analysis as part of the inshore-offshore proposal. The final inshore-offshore

management plan was approved by the council in June 1991, and included a provision that set aside 7.5 percent of the pollock quota in the Bering Sea (approximately 100,000 tons annually) for a four-year CDQ program.

The CDQ provision was structured to give the Governor of Alaska the lead responsibility for recommending who would receive quotas. In 1992, state and federal officials drafted CDQ criteria, procedures and regulations. Once all the administrative measures were approved, the state accepted CDQ applications from the eligible communities of western Alaska, submitted through six newly formed or reorganized corporations, each with a corporate fishing partner.

On Nov. 25, 1992, Gov. Walter Hickel issued findings and recommendations for the amount of quota each applicant would receive for 1992 and 1993. The Secretary of Commerce approved the state's decision on Dec. 3, 1992, and authorized the CDQ applicants to harvest their quotas.

How CDQs Work

Applications for CDQs, based on 7.5 percent of the biologically harvestable Bering Sea pollock resource, are submitted on a biennial basis to the Governor of Alaska. The governor evaluates the applications and makes recommendations on the size of the quota to be awarded. The recommendations are reviewed by the North

Pacific Fishery Management Council and are submitted for final approval to the U.S. Secretary of Commerce.

Communities that are eligible to receive quotas must be located on or within 50 miles of the Bering Sea coast from the Bering Strait to the westernmost of the Aleutian Islands, or located on islands within the Bering Sea. The communities must meet the definition of Native villages under the Alaska Native Claims Settlement Act.

Applications for a maximum 33 percent of the available CDQ pollock may be submitted by local fishing organizations from eligible communities or groups of communities, or a local economic development organization incorporated for the purpose of designing or implementing a Community Fisheries Development Plan.

Applications must address the level of local employment that will be generated, the vocational and educational programs that will

be created, and the schedule for moving from reliance on CDQs to self-sufficiency. Applications must also include detailed business plans to allow evaluation of the feasibility of the CDQ joint ventures. In these ventures, the corporate partners purchase the rights to the fish, hire western Alaskans to work at all levels of their operations, and guide the CDQ groups to full involvement in the groundfish industry.

Because the total amount of CDQ pollock is limited, applications are evaluated in competition with each other on the basis of goals and objectives, realistic measurable milestones for determining progress, methods for developing a self-sustaining local fisheries economy, level of local employment, capital or equity generated for local fisheries investment and profit-sharing arrangements.

The state requires active, not passive operations. The mere sale of quota and receipt of dividends is not considered acceptable. Western Alaska residents must fully participate in the fisheries. CDQ proceeds must be invested in fishery development programs and ventures that create jobs and promote stable local economies in western Alaska.

CDQ recipients must file quarterly reports to allow the state to monitor their progress and compliance with program requirements. CDQ groups that represent more than one community must have at least one resident from each member community on their boards of directors.

Applications for CDQs, based on 7.5 percent of the biologically harvestable Bering Sea pollock resource, are submitted on a biennial basis to the Governor of Alaska. ... Communities that are eligible to receive quotas must be located on or within 50 miles of the Bering Sea coast from the Bering Strait to the westernmost of the Aleutian Islands, or located on islands within the Bering Sea. CDQ proceeds must be invested in fishery development programs and ventures that create jobs and promote stable local economies in western Alaska.

CDQ PROGRAM GOALS

The overall goal of the CDQ program is to make substantial progress toward economic self-sufficiency for western Alaska through:

- ◆ Promoting the economic well-being of local coastal communities through involvement in Bering Sea fishery resources.
- ◆ Allowing western Alaska communities to diversify local economies.
- ◆ Providing western Alaska community residents with new opportunities to obtain stable, long-term employment.
- ◆ Allowing western Alaska residents a fair and reasonable opportunity to participate in the Bering Sea/Aleutian Islands fisheries which have been closed to them because of the high capital investments required.

Six applicants received CDQ allocations in western Alaska. A summary of each organization and program plan is provided below.



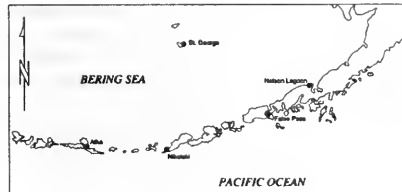
St. George in the Pribilof Islands is a member of the five-community Aleutian Pribilof Island Community Development Association.

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

APICDA consists of the communities of Atka, False Pass, Nelson Lagoon, Nikolski, and St. George. Akutan and Unalaska participate in the training and education programs. APICDA received 18 percent of the pollock reserve set aside for CDQs. APICDA's corporate partners in harvesting the quota are the Trident Seafoods Corporation, one of Alaska's largest shorebased seafood processing companies, and Starbound Partnership, operator of a factory trawler. Both companies are 100 percent American-owned. The F/T *Starbound* was built in the United States.

APICDA plans to:

- ◆ Establish a comprehensive vocational education, job training, and employment program.
- ◆ Establish a higher education endowment fund for community residents who wish to pursue university degrees.
- ◆ Participate in the funding for completion of the Zapadni Bay Harbor on St. George Island, creating a new commercial service center for the Bering Sea fisheries. Harbor completion will be coupled with the construction of a shoreside processing plant in 1993 and ancillary economic development.
- ◆ Complete engineering designs for a dock in Nelson Lagoon (to be constructed in 1994) and conduct an economic feasibility study on related economic development, all in cooperation with the Aleutians East Borough.
- ◆ Work with the False Pass Tribal Council to fund the construction in 1993 of a gear storage warehouse in False Pass.
- ◆ Cooperate with the City of False Pass to extend water and sewer service to the new False Pass dock, making the facility ready for commercial activity. A vessel storage facility, repair facility, and/or seafood processing facility may be developed adjacent to the dock.



- ◆ Combine forces with the City of Atka to complete engineering designs for a dock (to be constructed in 1994) and conduct an economic feasibility study on related development, including a fuel-tank farm and shoreside processing plant construction.
- ◆ Make funds available for the purchase of fishing vessels, Individual Fishing Quotas, and other business opportunities.
- ◆ Employment goal: 60 people in 1993.

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APICDA
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Atka, Alaska 99547
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Larry Cotter
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Juneau, Alaska 99801
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BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

BBEDC consists of the Bristol Bay communities of Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, Manokotak, Naknek, Pilot Point, Port Heiden, Savonoski/King Salmon, South Naknek, Togiak, Twin Hills, and Ugashik. BBEDC received 20 percent of the available CDQ pollock. BBEDC's corporate fishing partner is Oceanrawl Inc., an Alaska corporation operating three factory trawlers.

BBEDC plans to:

- ◆ Implement a Community Development Plan in 1993 consisting of employment training programs, a small business development program, grants for value-added processing and marketing, and extension services to halt the regional loss of limited entry permits.
- ◆ Establish a Scholarship Endowment Fund in 1993 for students to attend universities or full-time vocational programs.
- ◆ Set up a reserve to provide matching funds for infrastructure construction, and financing for the acquisition of Individual Fishing Quotas.
- ◆ Establish the Alaska Seafood Investment Fund in 1993 to invest in a diversified series of Alaska seafood businesses both within and outside the Bristol Bay region.
- ◆ Employment goal: 60 people year-round in Oceanrawl, Inc. operations by 1993.

Contact: H. Robin Samuelsen, Jr., Chairman
BBEDC
P.O. Box 1464
Dillingham, Alaska 99576
(907) 842-4370 FAX: 842-4336



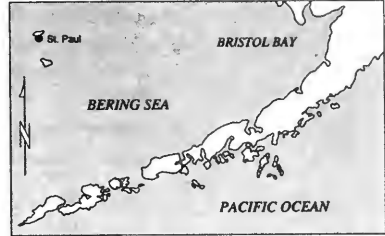
CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

CBSFA represents the community of St. Paul in the Pribilof Islands. It received 10 percent of the Bering Sea CDQ pollock. Its corporate fishing partner is American Seafoods Company, Inc.

CBSFA plans to:

- ◆ Establish a boat loan program for the purchase and construction of vessels 32 to 125 ft. in length that are capable of participating in the multi-species fisheries of the Bering Sea.
- ◆ Set aside funds for infrastructure development on St. Paul Island.
- ◆ Employment goal: 20-25 people in CDQ operation.

Contact: Perfenia Pletnikoff, Jr., President
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(907) 278-2312 FAX: 278-2316

COASTAL VILLAGES FISHING COOPERATIVE

CVFC consists of the Yukon-Kuskokwim Delta communities of Chefomak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipruk, Kongiganak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Toksook Bay, Tuntutuliak, and Tununak. CVFC received 27 percent of the available pollock CDQ. CVFC's corporate partner is Golden Age Fisheries, owner of five factory trawlers involved in Bering Sea and Gulf of Alaska fisheries.

CVFC plans to:

- ◆ Purchase 50 percent equity in the 197 ft. factory trawler *Browns Point* with the long-term goal of owning, managing, and operating a fleet of at-sea processing and harvesting vessels.
- ◆ Establish a "Salmon Roe University" to train residents of the region to be salmon roe technicians.

Purchase or construct a salmon processor to operate in the lower Kuskokwim River.

Self-assess the equivalent of the State of Alaska's fisheries business tax and dedicate this money to grants for fisheries infrastructure development.

Train individuals from CVFC member villages to work at all levels of the groundfish industry — harvesting, processing, marketing, and corporate management.



- ◆ Establish a Coastal Villages Scholarship Fund for careers in the fisheries and fisheries management.
- ◆ Create a financing mechanism for purchasing and repatriating salmon and herring entry permits to the region.
- ◆ Create a financing mechanism for the purchase of vessels for local and nearshore fisheries.
- ◆ Employment goal: 51-70 people by 1993.

Contact: Norman Cohen
 CVFC
 204 North Franklin Street, #1
 Juneau, Alaska 99801
 (907) 586-2360 FAX: 586-2331



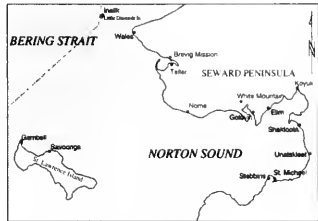
Skiffs are pulled up on the beach at Toksook Bay prior to a commercial herring opening. Toksook Bay is a member of the Coastal Villages Fishing Cooperative

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

NSEDC consists of the Norton Sound, Little Diomed Island, St. Lawrence Island and Seward Peninsula communities of Brevig Mission, Diomed/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, St. Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales, and White Mountain. NSEDC received a 20 percent share of the CDQ. NSEDC's corporate fishing partner is Glacier Fish Company, Ltd.

NSEDC plans to:

- ◆ Pioneer new markets for salmon and herring starting in 1993 when Glacier Fish Company will buy and market all salmon species and 1,500 tons of herring.
- ◆ Provide low-interest loans starting in the spring of 1993 for the region's fishermen to purchase Norton Sound salmon and herring permits, fishing gear, and to upgrade boats.
- ◆ Establish a program for training up to 80 residents of the region each year in the skills necessary to work on fishing boats and in shoreside plants, and to help them get jobs in the fishing industry.
- ◆ Award scholarships each year to residents interested in obtaining advanced education and technical school training in fisheries-related areas.
- ◆ Work with the school district to establish salmon hatchery programs in every school in the region, and hold more commercial herring and salmon fisheries workshops.
- ◆ Establish a construction fund to revitalize shoreside fish processing in Unalakleet, Shaktoolik, Golovin and Moses Point, and explore building processing plants in other communities.



- ◆ Purchase a fishing vessel capable of catching and processing halibut, black cod, and other species, and serving as a salmon and herring tender or processor.
- ◆ Create new fishing opportunities through regulatory changes and technical assistance, targeting halibut in St. Lawrence Island nearshore water, crab in Norton Sound and elsewhere, and groundfish species such as tomcod.
- ◆ Establish a permanent endowment, providing funds after 1996 to build a regional workforce through fisheries skills training, scholarships, and employment programs.
- ◆ Employment goal: 80 people in CDQ operations.

Contact: John Jemewouk, Executive Director
 NSEDC
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 Elim, Alaska 99739
 (907) 890-2248 FAX: 890-2249

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

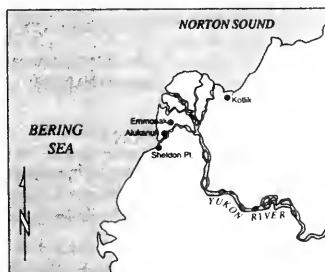
YDFDA represents the Yukon Delta communities of Alakanuk, Emmonak, Kotlik, and Sheldon Point. YDFDA received five percent of the available CDQ. YDFDA's corporate fishing partner is Golden Alaska Seafoods.

YDFDA plans to:

- ◆ Establish a training program for up to 258 residents by 1995.
- ◆ Develop a fleet of small catcher vessels designed to operate in local longline and/or pot fisheries.
- ◆ Participate with the Emmonak Co-op and the Emmonak Tribal Council in the construction and operation of a shoreside processing and cold storage facility.
- ◆ Set up a fund for purchasing salmon limited entry permits.
- ◆ Explore halibut and cod fisheries in the upper Bering Sea.
- ◆ Employment goal: 50 people in CDQ operations by 1995.

Contact: Edwin H. Glotfelty, Executive Director
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FUTURE ISSUES

The CDQ program, along with the inshore-offshore allocation plan, will expire in 1995.

The North Pacific Fishery Management Council adopted the initial CDQ plan as a temporary measure with the expectation that a comprehensive rationalization plan — establishing allocation systems for all fisheries under federal management — would then be ready for adoption. In the meantime, many major CDQ-related issues remain to be resolved:

- ◆ Will the CDQ program prove valuable enough that its existence should be extended past 1995?
- ◆ Should CDQs be implemented for crab, Pacific gray cod, rock sole, yellowfin sole, and other Bering Sea species? If so, how should these CDQs be designed?
- ◆ How will the CDQs that are a part of the Individual Fishing Quota (IFQ) allocation system for halibut and sablefish be implemented?
- ◆ Should pollock CDQs continue or should they be converted to IFQs?
- ◆ Should the Magnuson Act, up for Congressional reauthorization in 1993, be amended to include CDQs?



Fresh-caught CDQ pollock receives a freshwater rinse in a holding tank on the F/T Pacific Glacier. Pollock is the largest harvestable resource in the Bering Sea and the foundation for the CDQ allocation program.

CONCLUSION

The CDQ program brings a new group of people into the industry as major participants. The state and federal governments, as well as private industry groups, will closely monitor the CDQ program to determine if it is successful in achieving its goals.

While the information and results will be debated in fishery forums for many years, no one can deny that a new set of issues will challenge the industry and that the criteria and standards for federal fisheries allocations have changed forever.

This publication was produced by the Bering Sea Fishermen's Association in March, 1993 with information supplied by the State of Alaska — Department of Community and Regional Affairs, Department of Commerce and Economic Development, and Department of Fish and Game — the Aleutian Pribilof Island Community Development Association, the Bristol Bay Economic Development Corporation, the Central Bering Sea Fishermen's Association, the Coastal Villages Fishing Cooperative, the Norton Sound Economic Development Corporation and the Yukon Delta Fisheries Development Association
Photos by Lew Tobin, Jon Zuck and Mandeth Sandler
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Herring Sound Economic
Development Corporation

Magnuson Fishery Conservation and Management Act

TESTIMONY

**to be submitted to the U.S. Congress
by the**

Fisheries Conservation Action Group

Introduction

The Fisheries Conservation Action Group (FCAG) is a coalition of 15 fisheries trade associations whose members harvest and process fish from the Bering Sea and the Gulf of Alaska. Approximately 40 processing companies and over 10,000 individuals are represented by the groups which form the FCAG coalition. The FCAG was formed in 1990 to support effective management measures that protect North Pacific fishery resources and promote long-term sustainable use.

Because FCAG chooses its positions only after careful consideration and because its broad based membership includes representation from Alaska, Washington, and Oregon, our organization has earned the attention and the respect of the North Pacific Fishery Management Council.

Our testimony to Congress regarding reauthorization of the Magnuson Fisheries Conservation and Management Act focuses on conservation and emphasizes support for amendments to the act that will:

- (1) Reduce bycatch.
- (2) Provide better protection for fisheries habitat.
- (3) Encourage the collection of more accurate and timely harvest data.

NPFMC Record on Conservation

When you consider the overall health and condition of our

nation's fisheries stocks, it is appropriate that conservation has emerged as one of the main issues in the current round of Magnuson Act reauthorization hearings.

Compared to other councils in the country, the North Pacific Fishery Management Council (NPFMC) has established a good record for resolving management conflicts on the side of conservation. The NPFMC has an established and functioning Scientific and Statistical Committee and an industry Advisory Panel that are integral parts of the council's decision making process.

Despite intense pressures from certain industry groups, the NPFMC has prohibited pollock roe stripping, maintained a two million metric ton cap on Bering Sea groundfish harvest since 1984, instituted the country's first comprehensive domestic observer program and started to address the overcapitalization problem by approving a moratorium on new entrants into the fishery. Additionally, the council has always followed the recommendations of its Scientific and Statistical Committee on biological issues.

We mention these issues to illustrate that the current system can work for the benefit of the resource. But while the NPFMC has made impressive strides on some conservation issues, many other areas still need improvement. Congress can provide help by clarifying the goals of the Magnuson Act, strengthening its conservation mandate, and providing the means to employ certain management tools. Specifically, we request that Congress identify the conservation of fishery resources as the principle objective of fishery management plans and the regulations promulgated to implement these plans.

The Bycatch Problem

No other management problem is more complicated than bycatch, and today it drives the fisheries in Alaska.

To clarify, "bycatch" refers to other fish that are caught while the gear is targeting a specific species. "Prohibited species bycatch" - such as halibut, crab, and salmon - must be returned to the ocean for conservation or management purposes. "Economic discards" are targeted species that are thrown away because they are the wrong size or are of poor quality, even though they could be processed into ancillary products such as meal and oil.

In the North Pacific, traditional management techniques have been used to restrict bycatch to acceptable levels. For example, fisheries managers will sometimes establish allowable bycatch rates or caps on the amount of bycatch that can be taken. These caps can trigger closures of target species whether or not the quota has been

reached. Another method is to restrict or prohibit fisheries from operating in specific areas and during specific times. Managers also can require the use of specific gear or fishing practices. These techniques are marginally successful and have created conflicting results. NOAA General Council states that individual vessels cannot be held accountable for overages. As a result, just a few fishermen with high bycatch rates have shut down entire fisheries. Premature closures of target fisheries are clearly a cost to the nation. Individual accountability unencumbered by burdensome confidentiality standards is essential to the efficient and productive use of the resource.

FCAG urges Congress to give the council the tools they need to tackle the bycatch problem.

We specifically recommend that Congress amend the Magnuson Act to:

- Explicitly define bycatch in the FCMA and declare a national policy to reduce fishing waste.
- Create incentives to develop gear and other fishing practices that reduce bycatch.
- Fund research on gear impacts and selectivity.
- Provide the councils with the legal and technical tools to manage bycatch on the basis of individual vessels.
- Enforce individual accountability over the maintenance of confidentiality.

Establishing Conservation as a Priority

Since the implementation of the Magnuson Act, our experience has been that the National Marine Fisheries Service has narrowly interpreted the National Standards to focus on and favor economic efficiency.

Economic efficiency should not be the sole driving force for determining the proper management of our fishery resources. Congress must require NMFS to give equal consideration to wastage, bycatch, habitat degradation, and the maintenance of biological diversity. Many of these factors have not been adequately addressed because they cannot be quantified.

Hence, Congress must provide guidelines that place these factors on equal footing with economic efficiency.

For example, non-selective gear can substantially impact non-targeted species taken as bycatch and can result in the waste of targeted species that are discarded because they are the wrong size. Non-selective gear can also have detrimental effects on immature fish. If habitat is damaged as a result of harvesting, then those costs also need to be considered. All of these factors help to weigh the long term costs of harvesting our groundfish and crab resources. Measuring only the economic harvest costs does not give a clear picture of the "real" costs associated with harvesting the marine resources.

Clearly, the environmentally-concerned public has no tolerance for the bycatch mortality and waste generated by some of our commercial fisheries. We can no longer view excessive bycatch and discards merely as a cost of doing business.

Our industry and the resource itself have no future unless we protect our ocean habitat. Therefore, we must modify and improve our gear and fishing practices to ensure that sustainable harvests can occur while protecting spawning stocks, nursery areas, and the marine environment.

(Examples of management actions that accomplish the above: No trawl zones to protect crab in the Gulf of Alaska and Bering Sea, halibut savings areas, and maintenance of the split between pollock A and B seasons.)

Conclusion

In 1992, the Cancun International Conference on Responsible Fishing declared that "states should promote the development and use of selective fishing gear practices that minimize waste of catch of target species and minimize bycatch of non-target species." Interestingly, the U.S. government played a leadership role in the conference's proclamation that, "states commit themselves to the conservation and sustainable use of living marine resources."

Additionally, the United Nations Conference on Environment and Development declared "...it is necessary to...promote the development and use of selective fishing gear and practices that minimize waste of catch of target species and minimize bycatch of non-target species..."

As participants in North Pacific commercial fisheries, we recognize that our industry depends on the perpetuation of the stocks and on sustainable harvest levels. We must make the conservation of fishery resources a shared responsibility among

all affected interests. It is crucial that Congress clearly direct our fishery managers to make the conservation of our fishery resources the Magnuson Act's primary focus.

These goals can only be accomplished through the consideration of factors other than "economic efficiency". The protection of habitat, the reduction of waste and bycatch, the use of truly effective conservation measures, the promotion of both full utilization and, where practicable, selective harvest practices must be clearly identified as explicit objectives of the Magnuson Act. Where appropriate, they should also be incorporated into National Standard Five. If Congress provides these tools, our organization believes the management councils can do the rest.

As part of our conclusion, we also wish to note that all the suggested amendments to the Magnuson Act - no matter how well drafted and how carefully considered - will do very little to solve our problems unless they are accompanied by adequate funding for the councils and NMFS to do their jobs.

Speaking for a broad cross-section of the North Pacific seafood industry, we wish to thank you for the opportunity to provide testimony. We would be pleased to provide you with additional information on fishery conservation issues.

Alliance Against IFQ's
 P.O. Box 650
 Seward AK, 99664
 (907)224-7137 Fax (907)224-5364
 August 4, 1993

Representative Gerry E. Studds, Chairman
 Committee on Merchant Marine and Fisheries

Representative Thomas J. Manton, Chairman
 Subcommittee on Fisheries Management

RE: Written Testimony for the hearing on the Magnuson Fishery
 Conservation and Management Act, on August 12, 1993.

Honorable Representatives;

The Alliance Against IFQ's is a grassroots organization that was founded for the sole purpose of fighting the implementation of the Individual Fishery Quota for Halibut and Sablefish in the Bering Sea/Aleutian Islands and Gulf of Alaska. Our membership is diverse as far as ethnics, gender, geographical location, economics, and education, our one common denominator is IFQ's.

We feel that the Magnuson Act should be amended to disallow any allocative fishery management plans. Sec. 303(b) (6) of the Magnuson Act states that any fishery management plan may establish a system for limiting access to the fishery in order to achieve optimum yield. Under the current fishery management plan using TAC (total allowable catch) we have achieved the optimum yield for our fisheries. A straight forward reading of this provision would leave an ordinary person with the impression that the phrase "In order to achieve optimum yield" had some meaning. It would be reasonable to take this phrase in the context of the Magnuson Acts Conservation purpose to mean that the application of such a draconian measure as depriving U.S. citizens of their rightful access to a fishery resource would be necessary for the future safety of the resource, i.e. "In order to achieve optimum yield." However, a court has determined that these words do not mean what they appear to say: "Sea Watch International vs. Mosbacher, 762F. SUPP.370(379):"...the Act does not mandate any finding of necessity before fishery access can be limited." If it is the intent of Congress that its laws mean what they say and that this measure allows limited access as a last resort to protect a resource then the requirement of a finding of necessity for limiting access "in order to achieve optimum yield" should be included in the reauthorized Act.

Sec. 303(a) (1)(C) REQUIRED PROVISIONS: Any fishery management plan, with respect to any fishery, shall be consistent with the National Standards, the other provisions of this Act, regulations implementing recommendations by International Organizations in which the United States participates ...On June 14, 1992 the President of the United States signed the United Nations Conference on Environment and Development (UNCED) Agenda 21, which included the following language:

"Promote the development and use of selective gear and practices that minimize waste of catch of target species and minimizes bycatch of non-target species." Sec. 17.46(c) In May of 1992 this same principle was affirmed at the International Conference on responsible fishing. We feel that selective gear as a priority in a fishery management plan should be amended into the Magnuson Act at this time of reauthorization. Sec. 303 (b)(2) and (4) DISCRETIONARY PROVISIONS.--- Any fishery management plan with respect to any fishery, may designate zones where, and periods when, fishing shall be limited, or shall not be permitted, or shall be permitted only by specified types of fishing vessels or with specified types and quantities of fishing gear;---prohibit, limit, condition, or require the use of specified types and quantities of fishing gear, fishing vessels, or equipment for such vessels...As you can see by the above provisions the ground work has already been laid for a selective gear amendment.

Sec. 303(b) GUIDELINES.---The Secretary shall establish advisory guidelines (which shall not have the force and effect of law), based on the National Standards, to assist in the development of fishery management plans. This section needs to be amended to have the force and effect of law put back into the Magnuson Act. This would give the Regional Fishery Councils a more concise idea of what the National Standards mean without having to solely rely upon each individual council members interpretation.

Safety concerns have been a major factor in the IFQ fishery management plan. The race for fish regardless of weather, loss of life and vessel, have been highly publicized. Sec. 303(a)(6) REQUIRED PROVISIONS.---Any fishery management plan shall---Consider and provide for temporary adjustments, after consultation with the Coast Guard and persons utilizing the fishery, regarding access to the fishery for vessels otherwise prevented from harvesting because of weather or other ocean conditions affecting the safe conduct of the fishery; except that the adjustment shall not adversely affect conservation efforts in other fisheries or discriminate among participants in the affected fishery. We believe that this section needs to be fine tuned and amended to ensure that minimum loss of life, limb, and vessel occurs.

When the Congress of the United States passes a law the citizens of the United States are expected and required to obey these laws, and yet when the Congress passes a law that another branch of the government is expected and required to obey as in Sec. 304 (a)(1) ACTION BY THE SECRETARY AFTER RECEIPT OF PLAN the secretary shall ... Hereinafter is a very precise timeline that the Secretary of Commerce shall follow, but very seldom does, shows that there is a great need for an amendment to nail down this timeline. The cliché of "Don't do as I do, do as I say" should not apply to the Government that governs its people.

Sec. 302(7) REGIONAL FISHERY MANAGEMENT COUNCILS/NORTH PACIFIC COUNCIL..

We feel that the make up of the North Pacific Council should be reapportioned during this reauthorization. This is the only council that has voting members from states that are not seaward of the councils jurisdiction. We feel that we should award the states of

Washington and Oregon the same courtesy that the Pacific Council awards the state of Alaska with, Non voting seats.

Conflicts of interests on the Council brings us to our last and probably most important requests for amendments to the Magnuson Act. The lobbying interest on the council need to be dealt with. Conflict of interest regulations that have been removed from the Magnuson Act need to be reinstated. Retiring Council members should not be allowed to be on the Council one month, and two months later, when their term has expired, be on the other side of the bargaining table. Financial disclosure should be made part of the record at every council meeting.

It is extremely difficult for the individual fishermen to testify before the council affectively. When you have executive directors of fishing vessel associations, fisherman associations, and seafood processing conglomerates all of whom have a veated interest in keeping their job, 100 individual fishermen that have conclusive and convincing testimony do not have a chance of changing the mind of someone whose job may be on the line because of the way that he votes. These special interest lobbyists that currently sit on the council need to be curtailed and phased out just like the foreign fisherman have been phased out of the United States waters.

Since council members are dealing with the public resource they should be regulated by the same conflict of interest laws as other government entities must.

An amendment needs to be put into place stopping the practice of council members leaving their appointed post and going to work as a lobbyist before the council for a minimum period of one year.

Financial disclosure statements must be made part of the record at every council meeting for the general public to review. The public has a right to know where the financial interest of these policy makers lie.

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■KING COVE ■SAND POINT ■AKUTAN ■COLD BAY ■FALSE PASS ■NELSON LAGOON

TESTIMONY FOR THE HOUSE COMMITTEE ON MERCHANT MARINE & FISHERIES

My name is Beth Stewart. I am presenting comments on behalf of the Aleutians East Borough regarding reauthorization of the Magnuson Fishery Conservation and Management Act.

I am the Director of the Natural Resources Department in the Aleutians East Borough. I am also a member of the Advisory Panel to the North Pacific Fishery Management Council, and a member of the Marine Fisheries Advisory Committee which advises the National Marine Fisheries Service on a variety of fishery management issues.

The Aleutians East Borough is located on the Alaska Peninsula and adjacent islands. It includes the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point. Geographically, geologically, and anthropologically this area is unique. The borough has borders along the Bering Sea and the Gulf of Alaska, and is home to numerous volcanoes, active and dormant, thermal hot springs, petrified red wood forests, bears, foxes, sea birds, and diverse fish and shellfish.

Most important, however, Aleutians East is the home of the descendants of Eastern Aleuts and the Scandinavian, Scot and other Northern Europeans who settled in the region during the late 1800's and early 1900's. Akutan and Cold Bay are the exception. Akutan's indigenous people are Western Aleuts, while Cold Bay is primarily non-native a community created during World War II by the U.S. Government.

Although the Aleuts living within the region comprise several distinct tribal groups, they share several characteristics and values and somewhat similar histories.

Local control, a widely held, critical value, characterized Eastern Aleut interactions with the Russian and U.S. Governments. Efforts to form increasingly more powerful local governmental units began before statehood. Self sufficiency and independence remain the driving forces behind local government. Creating the borough in 1987 was clearly an expression of the fundamental desire for local control of government services. The borough's revenue base is a 2% raw fish tax. The FY-92 budget was \$12.5 million. Five of the borough's communities, King Cove, Sand Point, False Pass, Nelson Lagoon and Akutan are totally dependent on commercial fishing.

The borough is responsible for the school system, community health grants, capitol improvements and maintenance. The vast majority of the capitol projects in the AEB are related to commercial fishing -- ports and harbors and airport expansions and improvements are all aimed at providing infrastructure for fishing.

Sand Point, King Cove, False Pass and Nelson Lagoon are all sites that were created to take advantage of commercial fishing opportunities. During the late 1880's and through the 1970's smaller more remote villages were abandoned as the dependence on fishing grew. Sanak, Unga, Belkofski, Squaw Harbor, Morzhovoi, Thin Point, Wosnesenski and other village residents were forced to choose between leaving their homes and having no chance for economic stability.

The specter of these abandoned villages haunts the region. The entire social and cultural fabric of the remaining Aleut population depends on the continued ability to rely on the fisheries resources near their homes.

To protect their interests as much as possible, borough residents have become active participants in fisheries policy and regulatory forums. They have taken a keen interest in both state and federal fisheries

management issues including the Marine Mammal Protection Act, the Magnuson Act, and the Endangered Species Act.

It has been substantially harder to identify the critical issues that will arise during the reauthorization of the Magnuson Act than it was for the MMPA and ESA. Many of the frustrations our fishermen have, stem from the way in which the Secretary and NMFS have chosen to implement the act rather than flaws within the act itself. These comments will focus on three issues, comprehensive rationalization, bycatch reduction, and the implementation of conflict of interest standards with recusal provisions.

Comprehensive Rationalization: The current push for comprehensive rationalization schemes presumes that privatization of a public resource will result in a net economic benefit for the nation. Although many AEB residents would receive IFQ's, the concept that fish can be owned, traded, and even sold before they are caught has no parallel in Eastern Aleut thought. Residents believe that promoting American corporate values into fishery management will result in a focus on profits rather than the long-term health of fishery resources which is critical to the survival of coastal communities.

On a purely practical level, Aleutians East fishermen cannot visualize how IFQ systems can be implemented without placing at least two observers on each fishing vessel. Individual quotas require individual monitors. It is clear from this year's pollock CDQ fisheries that single observers cannot accurately assess when a vessel reaches its quota. Clearly, the cost of such observers can be born more easily by large vessels than by the smaller vessels operated by Eastern Aleutian fishermen.

The ITQ systems discussed by the North Pacific Fishery Management also provide incentive for establishing "black markets" for fish. This is particularly dangerous for species like rock fish which can be easily overharvested.

We could support limiting the number and kind of vessels that can participated in federal fisheries, but we cannot support the cost both to the resource and the small boat industry.

Bycatch Reduction: The key to bycatch reduction appears to be individual vessel accountability. In the voluntary pools that have operated in Alaska, rates have dramatically. Currently NMFS and the Council lack the legal means to construct mandatory programs. Since there are allocation as well as conservation problems associated with bycatch, Aleutians East Borough supports amending the Magnuson Act so that effective vessel incentive programs can be adopted as part of the Fishery Management Plans.

Conflict of Interest: Conflicts of interest on the various Regional Fishery Management Councils appears to be a hot issue during the Magnuson Fishery Conservation and Management Act reauthorization.

While some groups see this issue as a way to weaken council authority, most people simply want to insure that council members who stand to gain a significant financial benefit from their votes are prevented from doing so.

This is a difficult issue to address. By their very nature, the councils are composed of people who have some kind of interest in the fisheries conducted in the U.S. EEZ. AEB cannot imagine why anyone who had no interest in these fisheries would subject themselves to these grueling meetings. Nor can we imagine reasonable decisions being made by a group of people with no interest in these fisheries. It is important to emphasize, that we do not believe scientists to be free from biases or conflicts.

The councils are composed of competing interests. To a large extent, those competing interests minimize the power of any one council member or interest group to drive the process. It is the Secretary's job to insure that diverse interests are represented on all councils. Where balanced representation is a problem, Secretarial action, not MFCMA amendment, is all that is required.

All that being said, in attempting to regulate conflicts of interest, the question seems to be not whether it is possible to find conflict free council members, but rather when do financial conflicts rise to a level that should preclude participation in a vote?

AEB suggests the following language be considered in addressing financial conflicts and recusal of council members:

(1) Participation by a voting member of a Council in any Council action involving an allocation of fishing privileges, shall be prohibited when such action would result in a direct financial benefit to such member or a member of his or her immediate family; except that participation shall not be prohibited if, as to a specific matter, the financial interest in the matter is of a type that is possessed generally by the public or a large class of persons to which the Council member belongs.

(2)(a) Two weeks prior to any meeting of a Council for which final action on an FMP or amendment to such FMP involving an allocation of fishing privileges has been scheduled, each Council member shall disclose on the record any financial interest, even if insignificant or of a type generally possessed by the public or a large class of persons to which the Council member or a member of his or her immediate family belongs (such disclosure will also be made during the beginning of each council meeting or hearing).

(b) Within one week of the scheduled meeting, the Chairman of such Council shall, in consultation with NOAA General Counsel, make a determination about whether the financial interest as disclosed is significant or of a type not generally possessed by the public or a large class of persons to which the Council member or a member of his or her immediate family belongs. If the Chairman determines that such financial interest is not of a type possessed generally by the public or a large class of persons to which the Council member or a member of his or her immediate family

belongs, the Council member subject to the determination shall be barred from participation as a voting member.

We have not attempted to define "large class," but we believe that this language addresses most if not all of the conflict issues raised in the recent past.

Thank you for your consideration of these comments.

NATURAL RESOURCES DEPARTMENT

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Merchant Marine and Fisheries Committee
 U. S. House of Representatives
 Honorable Gerry E. Studds, Chairman

Dear Sir;

At the Anchorage Alaska August hearing you asked the question 'How are the Councils doing and should they be changed? With the time limited you did not hear much on that topic because conservation and resource problems needed consideration and most people were testifying for groups without specific direction to answer that question. The following are my personal observations after having dealt closely with the Council process from the outside for several years.

The North Pacific Fisheries Management Council has had a lot of 'flack' directed at it in the last two years. Since most concede that the NPFMC has a pretty good conservation record, utilizes a scientific and statistical committee and an advisory panel, why the extensive criticism?

You mentioned that you and Rep. Manton serve on the committee that is determining if airwave rights should be auctioned. Ask yourself how it would be if instead of your committee of elected officials - the 'agency' managing those airwaves was composed of industry members - and it had decided to interpret that "limiting access" meant creating perpetual private property out of those airwaves - and it had devised a way to package, and distribute those shares of new private property to themselves and those they represent - and they were 100% exempt of any conflict of interest problems no matter what the system design and who gets the shares under that system?

The fishery management council system was designed to make management decisions with the idea that the conflict between members from various sectors of the industry will yield good compromises based on knowledge and personal interest. Thus conflict between members was substituted for conflict of interest laws as the 'watchdog.' Changing the job from fisheries management to property creation and distribution based on recent history of utilization eliminates that conflict and breeds the 'you divvy up your fishery and I'll divvy up mine' scenario which has pervaded the Individual Transferable Quota system.

The breakdown of the system when handling property distribution is obvious from the following: --- the NPFMC's Advisory Panel never voted to support this concept and in fact entertained dissolving itself since the Council was not listening; --- the Scientific and Statistical Committee couldn't recommend because this will not change the harvest amounts, only who gets to harvest it; --- almost every coastal town and borough(county), many Alaska Native corporations, villages, and tribes, the Alaska Municipal League and the Alaska State House of Representatives passed resolutions opposing this plan until a socioeconomic study was done - but no socioeconomic study was done; --- From Oct. 91 to April 92 the council received 4,006 signatures and statements opposing this plan which represented 89% of all commentators on the plan, yet all were ignored.

A few specific examples of ITQ allocation plums - 1) The only active fisherman on the Council is a freezer longliner - the plan allows freezer longliners to continuously lease 100% of their shares thus perpetually control ownership of the fishery, while all other longliners can lease 10% for only the first three years. 2) There was a representative of the Bering Sea Fishermen's Association on the Council and Bering Sea community development quotas were rolled into the privatization plan even though expanding participation is the exact opposite of the major program goal of reducing participation. 3) At least five council members are, or represent, vessel owners and none represent captains or crews, - the entire fishery ownership is divvied up among vessel owners with nothing going to the participating fishermen.

Of course the Council has come under fire, not because it is badly managing the fisheries but because it has expanded its' job to an area that is inappropriate for its' structure to handle.

Please get our Council back onto its job by rejecting the attempt to privatize. If you wish to proceed with privatization, designate an appropriate structure for the job that allows meaningful public input.

***One way to put the brakes on this runaway program is for the conference committee to delete the \$1.3 million ITQ funding added to the NOAA budget in the Senate ***

Thank You

Sincerely, Paul K. Seaton, 58360 Bruce Drive, Homer, AK 99603

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Paul K. Seaton 8/30/93

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